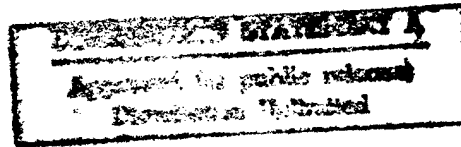


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FEDERAL BANK INCREASES LIQUIDITY TO LOWER INTEREST RATE

Comments by Poehl

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 7 May 82 p 13

[Article: "Poehl: The Banks Should Reduce Their Interest Rates--Special Collateral Loans Canceled--Greater Liquidity for Lending Institutions--Worry about Flight of Capital"]

[Text] Berlin, 6 May--The Central Banks Council of the German Federal Bank gave the expected interest lowering signals during its session in Berlin and decided to do away with special collateral loans, effective immediately. Starting on 7 May, normal collateral loans will be made at the 9 percent bank rate. In addition, the Federal Bank will issue an interest-bearing pension bond so as to provide additional liquidity to the banks. Federal Bank President Poehl declined to make public the amount agreed upon internally. The minimum issue rate is 8.6 percent for a 28 day maturity; allocations will be made on 7 May, with the amounts credited on 10 May.

Poehl noted the fact that this was the fifth interest rate reduction measure since the fall of 1981; he did not wish to exclude the possibility of further interest rate reductions, but appealed to the lending institutions as well as to the FRG Government and to the regulatory agencies as follows: he challenged the banks to pass on interest rate reductions to their customers to a greater extent than they had done heretofore. In this way, he indicated, the lending institutions could make a contribution toward the improvement of the overall economy. Up to the present, he continued, lower interest rates had been passed on to a relatively low extent. Poehl appeared concerned about the long debate about tax policy and other economic policy measures. Continuing insecurity, he said, does not contribute to investment readiness in the economy. What is important is to combat present hesitation. "The objective economic indicators are not bad in themselves, especially since confidence in the DM has once again increased and there are solid grounds for an upswing. What is needed now is greater certainty."

One year ago, he continued, the DM was close to suffering a crisis of confidence. Since then the situation had improved in favor of the FRG and since the fall of 1981 the balance of payments had been approximately even; however, some questions remain as to the development of export activity. The responsibly conducted wage negotiations too had contributed to these favorable

developments, as had consumer prices. The Federal Bank believes that the cost-of-living index will not rise by more than 4-5 percent during the current year. As a result of Federal Bank policies, he said, a severe devaluation of the DM was avoided and confidence in the DM has been strengthened, not only within the European currency system.

Poehl made no secret of the Central Banks Council's worries about the flight of capital which came about as a result of low German interest rates. However, the Federal Bank did not intend to restrict this flight of capital--Poehl gave the amount as DM 9.5 billion--through regulatory methods. The Federal Bank regards German fiscal policy with a certain amount of concern. It might not be possible to maintain the proposed drop in borrowing from about DM 80 billion in 1981 to DM 60 billion; but neither should this development be overly dramatized. The high public deficits, he said, impose a limit on further interest rate reductions.

Favorable Reaction

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 7 May 82 p 13

[Article: "Wide Agreement"]

[Text] Frankfurt, 6 May--Leading German economic organizations and political groups have given overwhelming approval to the Federal Bank's resolutions. Says the German Industrial Federation: "In returning to the normal collateral loan rate, the Central Bank's Council of the Federal Bank has taken into consideration the improvements in the solvency of the DM exchange rate and in interest rates and has thereby created some prerequisites for a certain easing of enterprise financing availability."

The German Industrial and Trade Association had this to say: "The additional aid to liquidity must not be misinterpreted as being a stability policy concession to the still weak economy."

The German Federation of Trade Unions: "This decision is an additional forward step toward a general reduction in interest rates which is urgently required for an upswing in the domestic economy. There can be no doubt that it has served to cause a marked improvement in conditions for enterprise investment."

FRG Minister for Economics Otto Graf Lambsdorff gave hearty praise to the decision. In this context, he stressed the continuing necessity of making further efforts to make the German economy independent of international interest rate levels.

FRG Minister of Finance Manfred Lahnstein counts on the fact that the continuing interest rate reduction process, which started last fall, would continue.

The Federal Association of German Banks emphasizes that an enduring reduction in interest rates would continue to require limits on public borrowing this year and in the years to come.

Immediately after the cancellation of the special collateral loan interest rate became public knowledge, the Bank fuer Gemeinwirtschaft reacted to it by lowering its loan interest rates last Thursday. According to a bank spokesman, the institutuion will, for its private customers, lower its consumer loan interest rate from 15 to 14.5 percent and for installment loans from 12.75 percent to 12.25 percent.

9273

CSO: 3103/464

GOVERNMENT ISSUES NEW GUIDELINES ON ARMS EXPORTS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 4 May 82 p 2

[Article: "Guideline for Arms Export: FRG's Security Requirements"]

[Text] Following discussions which lasted more than 1 year and which also involved the two coalition fractions of the SPD and FDP, the Federal Government has adopted new principles which in the future will be its guide in its arms export policy. The new principles replace those which have been in effect since 16 June 1971. Accordingly, Bonn has not altered its restricted posture when the issue is the export of arms to non-NATO countries. On the other hand, the new element is that the question whether a country is located in a "region of tension" will in the future no longer be decisive when arms are concerned. Instead, the security requirements and foreign policy interest of the FRG are to be the supreme governing principle in its own decisions.

In the statement of principles, which is six pages long and does not contain any purely legal self-commitments, but rather policy guidelines, the emphasis is on the intent of organizing, within the framework of international commitments on the part of the FRG, the export of arms in terms of security requirements and foreign policy interest and on trying to contribute to guaranteeing peace in the world through the limitation and control of arms export. The guidelines which the Federal Government has adopted with this point of view are not intended as an automatic banning and releasing device whereby it is assumed as obvious that the Federal Government will make every individual decision autonomously and freely.

Unchanged is the fact that no arms are delivered to Eastern Bloc countries. In respect to the question how in the future exports to those Western or neutral countries which are not part of NATO will be controlled, it is stated that exports will not be authorized unless "on the basis of special political considerations exceptions are established or in an individual case vital interests of the FRG speak in favor of an exceptional authorization." National interests must be taken into consideration in this connection. Also, delivering weapons of war and arms must not contribute to heightening existing tensions. Therefore, in principle there can be no question of deliveries to countries where the outbreak of armed conflicts appears imminent. There must be an adequate guarantee that the arms are destined exclusively for the defense of the receiving country or the affected region and that end-use

declarations are in existence before the arms are delivered. Although this is not expressly mentioned in the new paper, within the Federal Government there is agreement that those countries which to date were treated as NATO countries in the matter of requests for arms exports will also in the future continue to have this privileged status. These include Switzerland, Sweden, Australia, Japan, and New Zealand.

In respect to arms exports to NATO countries it states that in principle such is not to be restricted unless this is "indicated in individual cases for special political reasons." Maintenance of the defense power of the alliance and the defense interest of the FRG must serve as guidelines. NATO countries are also obligated to "make credible" the end use of German arms deliveries. In the event there are indications present that such arms are being exported on to countries to which Bonn objects to supplying, then an effort must be made so that they "may be removed" from the NATO treaty region only with the written agreement of the Federal Government.

Finally, the Federal Government expresses itself in great detail on the especially difficult topic of coproduction of arms and their joint development with other NATO partners. Since no other NATO country has such strict restrictions as the FRG, Bonn finds itself in a predicament in regard to this issue. In practice, the decision frequently is such that the FRG must either dispense with committing the partners in coproduction to its regulations, or else dispense with the coproduction projects themselves since as a rule these countries are interested in the largest possible export business. Thus, in the document it is stated in this connection that in the case of coproduction with NATO partners the FRG's arms export policy principles should be realized "to the extent possible." In principle, priority must be accorded to the cooperation interest. But in this connection they should not dispense with having an effect on the export projects of cooperation partners.

In order to keep cooperation with export-oriented NATO partners from withering, the Federal Government in its guidelines also does not shy away from using tricks. Thus, for example, it determines that the country of the cooperation partner is the buying and consuming country, in terms of export law, for German supplies to build weapons systems. In so far as parts are concerned which can be classified as weapons of war the partner country is also viewed as the end-use country. Further it says: "If these parts are integrated into the weapons system through permanent installation, the processing in the partner country, in terms of export law, establishes a new origin of the goods." In practice this can mean that an automatic cannon which was manufactured in the FRG, if it is installed permanently in an airplane--like the Alpha Jet--which was manufactured in France, is no longer defined by the Federal Government as a weapon of German origin, but rather French. No urgent reasons for refusal stand in the way of such deliveries by German firms to French partners.

In spite of this priority which the Federal Government accords to cooperation with NATO partners in the matter of arms production, it is simultaneously trying to maintain as large a say as possible in the partners' individual export deals if German industry is involved in them. In every case the right

is reserved to oppose specific projects of the partner country, in principle a consultation process must be agreed upon which gives the Federal Government the opportunity to assert its objections." The Federal Government must raise objections first and foremost when exports are to be made to countries which are involved in armed conflicts or in which the outbreak of such conflicts can be directly anticipated. The same thing obtains for exports to those countries, which if supplied, would so severely strain German relations with third countries that all other points of view would have to take a back seat to these facts.

12124
CSO: 3103/449

ACCURACY OF 1982 BUDGET ASSUMPTIONS QUESTIONED

Athens BUSINESS & FINANCE in English No 189, 10 Apr 82 pp 4, 5

[Text] If the budget's assumptions prove inaccurate, the resulting inflation will be impossible to control--and the political price too high to accept.

Internal politics in Greece have taken a diminuendo course after the reading of the new taxes bill as a whole. It was passed as such, and there remains to be debated article by article, but Parliament is preparing to rise for the Easter recess. Such being the case, readers may recollect the forecast made by this journal that the bill for the new law on investment incentives has declining chances of being debated and getting through Parliament prior to Greek Easter (April 18).

This now seems almost a certainty, which means it has little hope of getting through before the first half of May. Yet last week, the Deputy Minister of Coordination, Mr. Roumeliotis, saw fit to repeat the warning that, if private enterprise fails to roll up its sleeves by the half-year and begin investing in real earnest, the government will do so instead.

The question inevitably arises again: how on earth can any serious businessman plan and decide on any major investment, when he does not yet know the conditions under which he may do so? Equally, if the bill does get through Parliament in early May, how can the same businessman study and submit any serious investment proposal within a space of six weeks?

This attitude has understandably lent support to those who have gone so far as to suggest that unseen forces behind the competent ministers do not in fact want to see any private investment. By making it impossible for private enterprise to come forward and invest in the time limit allowed, these nebulous quarters are allegedly paving the way for saying in due course that private enterprise has proven itself non-cooperative and that the government is therefore "going the whole hog" on its own, and giving up all thought of cooperation with the private sector.

The more this looks like being the case, the deeper the delight of opposition quarters which see it lending weight to their contention about a drift toward a fully state-run economy and the road toward a "dictatorship of the proletariat."

Repetition of talk about directing the economy toward

worker self-management (this was repeated even on the occasion of the recent visit of Yugoslavia's minister of foreign affairs to Athens), preferential financing of cooperatives when they invest in competition with private enterprise, mandatory state participation in equity in cases of subsidised private investments exceeding 400 million drs. in value, interference by local government in the management of business firms on the grounds of social and/or environmental or national masterplan regional development grounds plus the latest amendments to labour law are all factors likely to frighten the private investor away.

At least that is what the country's chambers of commerce and industry have been saying, as well as the Federation of Greek Industries. If, therefore, the bill on taxation, the new labour law and the bill on investment incentives all get through Parliament without any effective amendments to their present forms, it does look as if private investment both by local and/or imported capital might suffer seriously.

“This attitude has understandably lent support to those who have gone so far as to suggest that unseen forces behind the competent ministers do not in fact want to see any private investment”

In such a case, with the government trying to invest in productive processes for its own account, it looks as if the only course open, at least as far as foreign private enterprise is concerned, would be to hire out or sell technology and 'know-how' to the Greek state-run enterprises against fees payable in foreign currency abroad. In this way, they would earn an income abroad without committing any capital in Greece itself while the government would have to put up all the capital and buy the best technology it could afford.

In the meanwhile, the debate in Parliament about the budget — at presstime the debate was still going on — has brought out certain salient features. Specifically:

The 1982 budget represents an attempted compromise between ideology and reality. The government is still committed to an active intervention in the market place, with the aim of implementing its main targets in the economic and political fields. Yet it has had to accept that there no longer exist any margins for a further increase in the deficit of the public sector. Accordingly, the budget's main philosophy, at least for this current year, may be summarised as follows:

- Control the rate of growth of the deficit;
- Impose taxes in a way that augments final domestic demand and achieves a more equitable income distribution;
- Increase expenditure in an eclectic manner, and only in those sectors where this is considered absolutely necessary for political and social reasons.

The government believes that the wage increases granted at the beginning of the year, together with the indexation of

wages and salaries and the tax reliefs given by the budget, will be enough to safeguard the purchasing power of the lower income groups. All in all, it is calculated that money incomes of those who account for about 30% of total declared income in 1981 will go up by about 30%.

Given that the government hopes to keep inflation at the 23% level and that, according to its calculations, the rise in indirect taxes will not add more than 3-3.5 percentage points to the CPI, the final result will be an increase of domestic demand. In this way, and in harmony with its pre-electoral promises, the government expects to obtain both demand-led growth and an income redistribution which favours the lower income groups.

The control of inflation appears to be an entirely different matter. Though the government's position is not entirely clear, it can be inferred that its hopes rest with three factors, mainly:

- Since the economy is in a recession, some companies may be expected to absorb part of the rise in costs (wage increases, taxes, etc.) through a reduction in profits;
- Price controls will be tightened, with the aim of preventing any rises that are not justified by an increase in costs;
- Intermediaries in the internal trade distribution channels are to be eliminated as far as possible.

With respect to taxes, it is the government's position that all direct taxation, namely on property over and above the 25 million drs. limit on distributed and retained earnings and on capital gains that companies have realised on paper in the last seven years, is aimed at the higher income groups which can well afford it. Even more, the aim of income redistribution is furthered along.

“Especially since it rests on government calculations of a 6% real rate of growth and a 20% rate of inflation. ”

As far as investment is concerned, the government is well aware that all of the above taxes really hurt savings. Accordingly, it seems to have given up any hopes that private investment will play any significant part in the current year, and to have concentrated its efforts in the following directions:

- To complete a new framework of incentives, in place of Law 1116;
- To promote public investment;
- To control the flow of funds from banking into the private sector, in the belief that it can thus prevent the unauthorised use of such loans — not for productive but for speculative purposes. This last target dovetails with the aim of controlling inflation, since the government does not believe that public sector borrowing requirements (PSBR) do not create any crowding out effects, but that it is simply the misuse of loans that

brings about a shortage of funds.

The single most important question with respect to the 1982 budget has to do with revenues. The projected 58.8% increase is way out of the long-term trends of the Greek economy, especially since it rests on government calculations of a 6% real rate of growth and a 20% rate of inflation. The government is, of course, arguing that the reduction in tax evasion and tax avoidance will bring in a lot of additional revenue. Yet this road has been tried before, with dubious results to say the least. In the accompanying table, we summarise some of the most important trends with respect to revenues and ex-post tax elasticities.

Year	% increase in revenue	income tax elasticity	direct tax elasticity	revenue as % of GNP	% increase in GNP	% increase in CPI
1977						
1977	—	—	—	21.15	—	—
1978	18.5	0.92	1.37	20.87	20.1	12.5
1979	26.2	1.11	1.28	21.35	23.3	19.0
1980	14.2	0.72	1.40	20.31	19.8	24.9
1981	22.2	1.14	1.02	20.83	19.1	24.5
1982	58.8	1.90	1.55	25.94	25.9	23.0

Thus, it is extremely difficult to see how the implied total income tax elasticity can suddenly jump to 1.9, when the highest it ever reached was 1.14. Or, again, how revenue as a percentage of GNP can now reach about 26%, when it has never surpassed 21.5% and when it has constantly stayed at about 20.9% of GNP, no matter what the rate of increase in either consumer prices or in money GNP.

Under these circumstances, it is very probable that the 58.8% increase in revenues will not be realised, and that the government will end up with a public sector deficit which is much larger than the one it is expecting. Further, evidence is mounting that after successive price rises consumers are now reaching ranges in their demand curves that seem to be quite elastic with respect to prices — i.e., a kind of kinked demand curve, where an increase in indirect taxes will not necessarily result in a larger tax take.

BILL PROPOSES AMENDING OF LABOR LAW

Athens BUSINESS & FINANCE in English No 189, 10 Apr 82 pp 9-10

[Text]

A lengthy bill has gone before Parliament to amend the existing Labour Law. The bill covers every aspect of trade union activity and, as far as employees are concerned, weighs the scales down heavily in favour of the workers.

Whereas, for example, workers may go on strike even in sympathy with trade union activity in another country, or because 'democracy is threatened at home or abroad,' employers may not declare lock-outs. Employees dismissed in the past for trade union militancy must be re-engaged. The government spokesman, in the meanwhile, declared that the main aims of the bill may be summarised as follows:

— For the mass labour movement
It is only through mass organisation of the workers that a true and modern democracy can be established in Greece. To achieve this, the new law acknowledges the right of all workers to be registered union members in their branch, sector or enterprise; the right of the labour unions to be registered with the appropriate federation and appropriate labour centre; the right of every federation and labour centre to be registered with the corresponding confederation.

Contrary to Law-330, it allows the registration of foreigners and minors within the labour unions, on the presupposition that they are working legally in Greece. It also offers definite protection to all employed workers in the event of discrimination or persecution for union activity undertaken.

— For the unity of the mass movement
The disintegration of labour movements has always been a by-product of right-wing governments. As a result, there are today five confederations, hundreds of federations and labour centres and several thousand labour unions. To achieve unity of the labour movement, this law a) abolishes ODEPES, which is the main organ through which the intervention of the rightist governments was achieved, b) provides greater union rights for the most represented organisations, c) protects the founding members of the union organisations, d) establishes the straight proportional system, the most democratic system, as it allows even the minorities to remain within the organisation.

— For the reconstruction of the labour unions
The falsification of the true wishes of the workers and of the electoral results are yet further aspects of the paralysis of the labour movement in Greece. Until now, many workers have voted many times in many labour unions. Many labour unions have voted in representatives in many labour centres and in various federations. As a result, the representation in the General Confederation of Greek Workers has not corresponded to the true wishes of the workers. For this reason, the new law will:

1) abolish the present opportunity for multiple voting and the falsification of the final result. The union electoral card is to be established. Every worker may participate in up to two labour unions — one for the sector, and the other for the

enterprise to which he belongs. He can vote for the administration of both unions, but can vote in only one of them for federal and labour centre representatives. Each labour union can participate in one federation and one labour centre, but its representatives vote only in the federation or the labour centre for the election of representatives at the confederation.

2) the electoral measures (basis) for the representation of the organisations is common to all while organisations which do not win at least half of this measure will not be represented.

3) the resources of the union organisations derive mainly from the contributions of their members.

4) the 'clearing' of the registers of the organisations is obligatory.

— For the protection of union activity
Until today, the workers and their organisations have had no substantially acknowledged union rights for their activities and their operation. With the new law:

1) employers must facilitate the legal activity of the union organisations. Every enterprise has the right to ask for a location for its meetings, to have regular contact with employers, to be present at the inspections of the state officials and even to have its own office in the larger enterprises.

2) sabbatical terms are offered for the free and unimpeded activity of the union officials.

3) the right of the unions to ask the employers to retain members' contributions is acknowledged.

4) the right to strike is to be progressively established. Even unions of only 10 members have the right to decide whether or not to strike. It must be emphasised that this clause — unique in Europe — permits the workers in Greece, working for multinationals, to

go on strike to support workers for the same company abroad. There is also a clause that permits support strikes for workers abroad if those countries are under military law, or if democracy is endangered.

5) Employment of new personnel during a strike is forbidden. Lock-outs are also forbidden.

— For the reinstatement (as far as possible) for the victims of the anti-labour Law 330/76).

According to the law of the administration of unions, their founding members, those who were dismissed explicitly under Law 330, as well as those dismissed under dubious circumstances one month previously, are to be re-employed by the enterprises that dismissed them, but within such a time span and at such a rate that the economic structure of the enterprise will not be disturbed.

Other clauses concern sabbatical leave for union executives, and anticipates for the first time the training of union officials.

Heavy penalties — up to five years' imprisonment and fines up to five million drs. — will be brought against state officials or employers who indulge in anti-union activity. Heavy penalties will also be brought against those employers who fail to abide by the decisions of the courts concerning real employment of workers and re-employment.

Generally, this law is the first in a series of legislation which is aimed at reform of the labour law. Work inspections will be re-organised according to the standards of the other European countries. Other laws concerned with working conditions and health and safety at work for the workers will follow.

BRIEFS

FERROUS CHROME PRODUCTION--Greece has informed its partners in the EC that from 1983 on it will produce about 40,000 tons of ferrous chrome annually, which will be available for export. The fact should prove of interest to EC member-states because, as a whole, the EC consumes about 400,000 tons annually, while only 80,000 tons are at present produced within the EC. The rest comes from South Africa (250,000 tons), Spain, Sweden and Zimbabwe. Import duty is charged on all four, whereas the Greek product will get in duty-free. [Athens BUSINESS & FINANCE in English No 189, 10 Apr 82 p 12]

GREEK-GDR COOPERATION--East Berlin (AFP)--East Germany and Greece want to strengthen their economic, industrial and technical cooperation in certain specific sectors. According to the East German news agency ADN, Greek Coordination Undersecretary Yannis Pottakis and East German Foreign Trade Minister Gerhard Beil yesterday decided in East Berlin to create new forms of cooperation concerning the economic structures of the two countries. Mr. Pottakis underlined his government's willingness to develop economic relations with East Germany and submitted "important proposals", the agency said. It added that the first meeting of the mixed East German-Greek government commission will be held in the first half of this year. [Athens ATHENS NEWS in English 17 Apr 82 p 7]

CSO: 4600/463

FOREIGN INVESTMENTS ON UPSWING

Madrid ACTUALIDAD ECONOMICA in Spanish 29 Apr-5 May 82 p 32

[Article: "Foreign Investments--Savings Boosts Their Rate"]

[Text] With unprecedented speed Spain's Ministry of Economy and Commerce released on 15 April 1982 all data relating to foreign investments in Spain during the first quarter of 1982, investments which came to about 30 billion pesetas. The speed with which the administration [released the figures] and the fact that for the first time these figures were not announced in INFORMACION COMERCIAL ESPANOLA [Spanish Commercial Data] had important reasons: The information which had appeared in the U.S. press according to which the collapse of some plans of American multinational corporations to become involved in Spanish enterprises--as in the cases of International Harvester and ENASA [National Truck Corporation], and Guardian Industries and Vidrieras de Llodio [Glassworks of Llodio]--represented a decline of foreign investments in Spain.

On the basis of official data, foreign investments in Spain increased by some 94 percent (in pesetas) in the first quarter of 1982 over the corresponding period of 1981. The growth in licensed investments stood at 167 percent. In the first 3 months of 1982 foreign investments reached 28,818 million pesetas--as against 14,807 million in 1981--of which nearly 50 percent were authorized in March 1982.

A spokesman for the economic deputy prime minister told ACTUALIDAD ECONOMICA that the withdrawal of some multinational corporations from their investment projects in Spain in a consequence of specific problems and strategies of each firm without Spain's economic situation being responsible for it. In the specific case of International Harvester Company, its exit from Spain had been mentioned for more than a year now because of the difficulties experienced by the parent company in the United States. Guardian Industries pulled out of Vidrieras de Llodio because of what it considered to be excessive valuation of assets, which does not coincide with the net worth established by its own auditors for the Spanish firm.

2662

CSO: 3110/136

TRADE WITH LIBYA EXPECTED TO INCREASE

Madrid ACTUALIDAD ECONOMICA in Spanish 29 Apr-5 May 82 pp 27-29

[Article by Sol Nunez: "Between the Petrodollar and the Peseta"]

[Text] The Bank of Spain has announced a move to regularize Spanish-Libyan trade settlements which had lagged because of administrative difficulties. Meanwhile, future prospects appear encouraging.

The Bank of Spain has intervened on an exceptional basis in the payment fluctuations of Spanish-Libyan trade. This measure, which does not imply a possible clearing system, reflects the difficulties which some Spanish firms have experienced in collecting payments for the exports and services they provide that country. With the purpose of channeling "the payments of all commercial and financial transactions between the two countries," the Bank of Spain and the Central Bank of Libya signed a reciprocal credit agreement according to which each bank provides the other a credit line of \$82.5 million, interest rates which will be based on the Eurodollar.

Trade in Upswing

Libya has been proving to be Spain's fastest growing market abroad. Up to June 1981 Spain had exported to Libya products valued at \$112 million, while in the same period Spain's imports totaled \$345 million. Despite its surplus trade balance Libya has a debt owing to Spain resulting from the lag in its payments for some products Libya imported from Spain in 1981. The Spanish firms most affected by this situation are those in the textile, footwear, and construction sectors. A delegation from Spain's Ministry of Economy and Commerce paid a visit to Libya in February 1982 to negotiate the debt but there is still no final agreement about it. Libya committed itself to settle part of the debt amounting to \$70 million.

According to sources in the Spanish administration the debt totals \$130 million (13 billion pesetas) even though Libyan unofficial sources notified the Arab-Spanish Bank (Aresbank) that Libya's real indebtedness does not exceed \$25 million. These same [Libyan] sources explain that the total of \$130 million includes amounts for products that were not accepted by the Libyan purchaser because they arrived in bad condition or did not meet the specifications set earlier.

Libya is a country which bases its entire economy on the production and export of oil. But for the past 2 years and as a result of its policy to restrict production to force a rise in prices--Libya is one of the so-called hardline members of OPEC--it is not taking in sufficient funds to cover all its imports and it now experiences difficulties in making payments.

Promising Future

Spain has a potentially sizable market in Libya which could develop on the basis of the present economic relations. To expand its agriculture Libya must extend its communications network and build housing. In this respect there are already various Spanish firms which are engaged in projects in Libya--among them Ferrovial and Agroman. Industrial development plans also represent a promising field for Spanish firms, especially in the area of intermediate-level technical engineering projects that are not very sophisticated such as leather products manufacturing plants or textile mills. Javier Abad, assistant manager of Aresbank, told ACTUALIDAD ECONOMICA: "In terms of engineering projects and turnkey plants--areas where Spain has done very little--major possibilities exist. Spain can provide Libya with industrial projects under better terms than other countries. There are points in our favor which have great impact at the time of negotiating this type of agreements, such as personnel training and the transfer of appropriate technology. The prospects are very significant."

2662

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SOCIALIST PEOPLE'S PARTY CONGRESS DIVIDES OVER PEACE STAND

Election Bolstered Party

Copenhagen BERLINGSKE TIDENDE in Danish 8 May 82 p 6

[Article by Lisbeth Knudsen]

[Text] Socialist People's Party congress started with promise of negotiations but rejection of concessions on employment issue.

"With his usual elegance, the Prime Minister has been trying--most recently in his 1 May speeches--to intimidate the Socialist People's Party into doing everything which the Social Democratic Party wants it to do. We must not give in the threats. We have no independent desire to overthrow the present government, for we believe that it was the best government we could get in the situation existing at the time. But we support it on the basis of our fundamental political position. We are an independent party and are not on the coattails of the Social Democratic Party."

With these remarks at the start yesterday of the congress of the Socialist People's Party at Skive, the group chairman, Ebba Stange, won loud applause.

Both the group chairman and the party chairman, Gert Petersen, gave the party's political line during recent years--involving a mixture of readiness to negotiate and adherence to principles on certain points as well as a close relationship with a number of the so-called grassroots movements--the credit for the largest political breakthrough of the Socialist People's Party in 23 years in the municipal elections and the general election at the end of 1981.

At the party congress, the party leadership is clearly preparing itself for negotiations with the government on the March package involving employment proposals and its economic financing, but it will be on certain conditions and irrespective of whether these negotiations will cause the downfall of the government.

Rejection of Adjustment of Excise Duties

The message from the congress of the Socialist People's Party to the government during the coming economic negotiations, which probably will begin already next week, will be that the Socialist People's Party will not be unwilling to discuss

economic intervention, but that the result of the intervention must have a positive effect on the employment situation and will have to be socially well-balanced.

That means rejection of the government's plans for a number of adjustments of the excise duties. Like the government, the Socialist People's Party refuses to use the incomes policy as a link in any economic intervention at the present time. The Socialist People's Party's concrete proposal with respect to the financing of the March package and the solution to the agricultural problems is to introduce at an earlier point the tax on the hitherto tax-free incomes from interest earnings as well as a special tax on higher incomes.

On the possibilities of cooperation within the Folketing, the party chairman of the Socialist People's Party, Gert Petersen, said:

"It is part of the picture of the Socialist People's Party as a realistic alternative that we made it clear that we were prepared to cooperate with the Social Democratic Party, and that we knew that this cooperation could not be based on a position of everything or nothing. On the other hand, it was also clear to us that it cannot be based on simply carrying on the Social Democratic policy as it was shaped in the close cooperation of the Social Democratic Party with the non-socialist parties which lasted for many years."

Gert Petersen, subsequently, gave the Social Democratic Party the advice of using the method of the cane toward the Radical Liberal Party instead of toward the Socialist People's Party.

"The Social Democratic Party is still aiming some of its proposals at pleasing the non-socialist parties. I do not want to give anybody the idea that it is possible to govern the country entirely without the non-socialist parties, because it is not. At least one non-socialist party is needed to form a majority. But why not try, off and on, the much discussed method of the cane on the Radical Liberal Party. Why give in beforehand and instead talk so much about testing the Socialist People's Party. I believe that it is a sign of weakness on the part of the government. The Social Democratic Party is divided, and we now hear one thing and now the other from different Social Democratic politicians. This is not due to any shrewd strategy but to uncertainty."

Gert Petersen found it necessary for the voters to decide the matter if the government fails to introduce measures for an effective solution to the unemployment situation. He said that the election might be used for a final showdown with the non-socialist parties and to mark a struggle for an actual majority of workers in the Folketing.

Government's 'March Package' Attacked

Copenhagen BERLINGSKE TIDENDE in Danish 8 May 82 p 6

[Text] The government's March package is in most respects without perspectives, and its effect on the employment situation is most uncertain. This was established by the executive committee of the Socialist People's Party in a draft resolution from the party's national congress at Skive.

The draft resolution, which will come up for final adoption on Sunday, the last day of the national congress, requests the Social Democratic Party to enter into a cooperation for an improvement of the March package, and states, at the same time:

"We do not want to repeat the mistakes of the past and to proclaim a compromise solution for enormous progress because it has a bit of a beneficial effect on the unemployment situation."

The draft resolution establishes that the March package is an expression of Social Democratic concessions toward employers and the non-socialist forces. It is being criticized that the quota arrangement for students and trainee jobs has been given up and has been replaced by subsidies to employers with an uncertain effect on the employment situation. The draft resolution goes on to say that the package makes an increasing number of young people socially exceptional cases. The Socialist People's Party wants greater emphasis put on municipal production, on larger public investments, on prohibition of overtime work, and on the introduction of paid education within working hours.

Stand on Peace Movement Debated

Copenhagen BERLINGSKE TIDENDE in Danish 10 May 82 p 1

[Text] The peace movement in large parts of Western Europe is about to disintegrate on account of inside disputes. This statement was made by the chairman of the Socialist People's Party, Gert Petersen, at the party's national congress at Skive, where there was a very sharp debate on the party's participation in the Liaison Committee for Peace and Security.

The party congress establishes in a statement on the peace movements that the liaison committee has lost its credibility, among other things, by consistently ignoring the armaments in the East and by arranging international propaganda meetings in support of the military government in Poland.

Several members of the central committee had proposed that the statement be supplemented by a statement to the effect that, against the background of the criticism of the liaison committee, the Socialist People's Party could not request its members to participate in the work for the committee. The proposal recommended instead a cooperation with peace organizations which are not associated with any of the superpowers.

"It is clear that we disagree politically with the Communists and with the Soviet Union, but, at the same time, we must not encourage any major battle within the peace movements. We must do what we can to continue the cooperation within the peace movements. I am afraid that part of the resolution may have the effect of a declaration of war to the peace movements," Gert Petersen said.

Peter Hammer, Sorø, found that it was high time to make a statement of disagreement in respect of the methods used by the Communist Party of Denmark within the peace movements. "The Communist Party of Denmark has no more right to be members than Conservative Youth," he said.

Government Depending on Party's Support

Copenhagen BERLINGSKE TIDENDE in Danish 10 May 82 p 6

[Text] The Socialist People's Party will start negotiations with the government and the Social Democratic Party in the middle of this week on the March package and its financing without having received any binding instructions from its national congress but with clear indication that the government will have to pay a certain price to get the Socialist People's Party to join a permanent agreement.

The conditions made by the Socialist People's Party in advance seem to create considerable problems to the government.

Only five delegates at the party's congress yesterday voted in favor of a proposal to reject any negotiations with the government on the basis of the March package, and there was wide support at the national congress for giving the Folketing group a certain freedom of movement during the negotiations.

"I want to warn against proposals that we must not negotiate with the government. Is that what we got 350,000 voters on? No, it certainly is not. We do not want to be pushed around, but we must make it clear that we have certain objectives with the negotiations. We do not want to be those who refuse to negotiate," said the chairman of the party, Gert Petersen, in a sharp speech at the national congress.

The group chairman, Ebba Strange, said: "We must not reject negotiations, but we have got our territory marked out at this national congress."

The party congress at Skive adopted a political statement which, in connection with the March package, establishes that the regulations in respect of lower wages for employees, 18-22 years old, on employment projects must be abolished, that a quota arrangement must be introduced under which employers will be forced to take the necessary number of basic vocational training trainees, and that the right of veto on the part of the Manpower Committee in connection with subsidies to public production in the job creation proposal from the government must be removed.

On the financing of the March package and an agricultural solution, the statement says that the Socialist People's Party does not find an economic tightening necessary, but that the party is prepared to enter into negotiations with the government in this respect. The party rejects increases in excise duties and points instead to the necessity of a reduction of the value-added-tax rate on

food out of regard for those who are badly off. Instead of an increase in excise duties, the Socialist People's Party proposes that the tax on the hitherto tax-free interest earnings and the separate tax on high incomes be introduced at an earlier point.

In connection with the political statement, and under loud applause at the party congress, a paragraph was added on the Radical Liberal Party on recommendations from the Socialist People's Party Skive branch:

"The Socialist People's Party has with growing concern ascertained that the Radical Liberal Party has, in no way, displayed any willingness to cooperate on a solution to the unemployment problems. The refusal on the part of the Radical Liberal Party to carry on any kind of negotiations in the presence of the Socialist People's Party is ample proof of this. In particular, the most recent move on the part of the Radical Liberal Party on the issue of intervention in respect of the cost-of-living adjustments has been an unheard-of gross provocation which places the party on the coattails of the right wing in Danish politics," the statement says.

Few Want Cooperation with Liberals

Copenhagen BERLINGSKE TIDENDE in Danish 10 May 82 p 6

[Text] "The Socialist People's Party has reacted to the provocative move on the incomes policy issue by the Radical Liberal Party," and the resolutions adopted at the party congress over the weekend show that the expectations of a compromise among the Socialist People's Party, the Social Democratic Party and the Radical Liberal Party have decreased.

That is the evaluation made by Aage Frandsen, Århus, who will probably be the next deputy chairman, and who is the enormous vote-getter among the members of the central committee.

"The party congress has defined the position of the Socialist People's Party on the Social Democratic Party and has, in addition, sent a special message to the Radical Liberal Party because they are aiming at obstructing a compromise among the three parties," Aage Frandsen says.

According to Aage Frandsen it is also clear that the members of the party want both the central committee and especially the Folketing group to be bound by the decisions made by the party congress. A proof of this was the decision to reduce the number of Folketing members in the executive committee of the central committee from a maximum of four to a maximum of three.

"There is, of course, a social mechanism at Christiansborg which causes the members of the Folketing group to pay more attention to the views of the Social Democratic Party than to the principles of the Socialist People's Party. This is a tendency which affects everybody. That is why we do not want to have too many teams of Folketing members within the party leadership to confirm their own proposals there."

One of the most important tasks of Aage Frandsen as deputy chairman will be to increase the membership. The membership is today only approximately 5,000 and thus brings the organizational percentage of the Socialist People's Party below that of most other parties, however, with the exception of the Center Democrats.

The popular 40-year-old high school teacher from Århus was a member of the Folketing from 1971 to 1975, when he had to leave the Folketing as the Socialist People's Party lost a seat at Århus. At the time, he decided, out of regard for his family, to take a 10-year break from the Folketing. He is known to be an expert at organizational work, but it will be only with hesitation that he will accept the post of deputy chairman when, next weekend, the central committee probably will point to him. It is only 12 months since Aage Frandsen flatly refused a corresponding request to replace the then deputy chairman, Ole Henriksen, when the latter announced his withdrawal.

Party's Folketing Group Rejected

Copenhagen BERLINGSKE TIDENDE in Danish 10 May 82 p 6

[Text] Several prominent members of the Folketing group of the Socialist People's Party suffered a serious defeat when the party yesterday filled 22 vacancies within the central committee of the party.

The present deputy chairman of the party, Ole Henriksen, M.P., got only 67 votes as against 135 votes to the top winner, Aage Frandsen. Subsequently, Ole Henriksen decided that he did not want to continue in the post, which will probably be taken over by Aage Frandsen.

Pelle Voigt, M.P., who has been a member of the central committee for 10 years, got completely out of the central committee and had to be content with the position of first alternate. With his 58 votes, he could have got the last seat in the central committee if it were not for the party's rules on sex quotas. Now, the seat went to Bente Søltøft, who obtained 57 votes.

Also the other members of the Folketing who offered themselves for election to the central committee obtained few votes. Ebba Strange, group chairman, got the best result with 119 votes. The reason for the lack of success on the part of the Folketing politicians is a general opposition within the party to too many positions of trust to individual persons.

Congress Hits Leadership's Program

Copenhagen BERLINGSKE TIDENDE in Danish 10 May 82 p 6

[Text] The leadership of the Socialist People's Party received very strong criticism of its draft working program for 1982-84 at the party congress at Skive yesterday. The congress, at the same time, adopted a request to the leadership to spend more time on the working program to be presented at the next party congress.

The criticism levied against the draft program of the leadership was to the effect that the working program was an expression of far too general statements of objectives. One of the twenty speakers in connection with the working program stated directly that the working program could not be used for anything. The working program establishes a number of activities for the near future and the efforts of the party in the political area as well as in the area of employment.

Plebiscite for Nordic 'Zone' Proposed

Copenhagen BERLINGSKE TIDENDE in Danish 10 May 82 p 6

[Text] The chairman of the Danish delegation to the Nordic Council, Ib Stetter, Conservative Party, who is also the Danish member of the presidium of the Nordic Council, strongly opposes the proposal made by the chairman of the Socialist People's Party, Gert Petersen, for a joint Nordic plebiscite on a nuclear-free Nordic zone.

Ib Stetter says that Gert Petersen's proposal cannot be based on any practical policy evaluation.

"For none of our countries will commit itself to comply unconditionally with decisions taken by the majority and certainly not in the areas of defense and foreign policy. This is such a painful subject that the subject will not even come up for debate in the Nordic Council," Ib Stetter says.

He adds that the proposal by Gert Petersen was probably made to divert the attention from the dual role played by the Socialist People's Party as a support and opposition party to the government.

Incidentally, at its national congress, Conservative Youth has also adopted a resolution opposing the proposal for the Nordic countries as a nuclear-free zone.

Conservative Youth points out that it is only within the Soviet territory on the Kola peninsula that nuclear weapons have been deployed. "Instead, serious and realistic negotiations ought to be started among the superpowers as the basis for disarmament and detente," the resolution says.

SF Economic Stand Criticized

Copenhagen BERLINGSKE TIDENDE in Danish 16 May 82 p 6

[Editorial: "Economic Illiteracy"]

[Text] From the Socialist People's Party's national congress at Skive, signals have been sent on the party's economic policy position. It has even created optimism in certain government circles that the Folketing group of the Socialist People's Party did not at the national congress become completely tied and bound to entirely unalterable positions in respect of the economic policy proposals which the government is now in the process of completing.

On the face of it, it is difficult to visualize what this optimism on the part of the government may be transformed into. The Socialist People's Party does not want to support any increases in excise duties but points instead to a taxation of interest earnings in pension funds and a separate tax on high incomes. The party also wants a differentiated value-added-tax with lower rates for foodstuffs, and it opposes the lower wages carried through for young people between the ages of 18 and 22 in employment projects.

With this move on the part of the Socialist People's Party, the limits of senselessness in the economic policy discussion are about to be reached. A tax on interest earnings in pension funds, etc., or on incomes beyond a certain size will not contribute to the real financing of the public activities which are in progress or have been scheduled to be started. That kind of taxes will primarily mean a cut in the private savings, and it must be regarded as quite elementary economic knowledge that something like that cannot limit the undesired tendencies toward increases in the balance of payments deficit. A taxation of interest earnings will not either, in any sensible way, be able to relieve the financial situation of the state. The very pension funds and life assurance companies are large-scale buyers of government bonds. If their purchasing possibilities are limited, the demand for government bonds will drop, so that a reduction in the issues by the state will hardly cause any drop in interest rates.

However, the economic illiterates within the Socialist People's Party apparently do not know these elementary economic connections. They even want to ruin the value-added-tax system, which, from a technical point of view, has otherwise functioned reasonably well, by carrying through a value-added-tax rate differentiation, against which all experts have warned. This will increase the possibilities of evasions and distortions, and a new heavy administrative burden will be placed, in particular, on the already burdened retail trade enterprises.

In addition, the Socialist People's Party is persisting in its desire to raise the wages of young people in employment projects in a situation where it is generally desired to reduce the unemployment rate among young people. Again, the Socialist People's Party completely disregards reasonable economic considerations.

It now appears rather utopian to expect that it would be possible to work out a reasonable economic policy on the basis of negotiations with the Socialist People's Party.

7262

CSO: 3106/113

SOCIALIST LEFT CONGRESS VOTES DOWN CHAIRMAN ON DEMOCRACY

Congress Closed to Public

Copenhagen BERLINGSKE TIDENDE in Danish 8 May 82 p 6

[Text] The Socialist Left Party yesterday started its twelfth congress, which will conclude next Sunday. The main topics at the congress are democracy and socialism, labor resolutions, the work program of the Socialist Left Party, and the position of the Socialist Left Party on the peace movements.

Most interest was attached to the discussions on democracy and socialism, seeing that a much disputed draft resolution from, among others, Preben Wilhjelm, M.P. will be put to the vote.

In his draft resolution, Preben Wilhjelm says that the Socialist Left Party, under any circumstances, must stick to the democratic rights.--When a similar draft resolution was put to the vote at the last congress, it was rejected. The draft resolution, this time, is supported by 248 members of the Socialist Left Party, but Preben Wilhjelm, nevertheless, expects the draft resolution to be voted down.

The congress of the Socialist Left Party is completely closed to the public.

The Socialist Workers' Party is also holding its congress during the public holiday, falling on the fourth Friday after Easter. This is the third congress of the party. The party, incidentally, has announced that, after the weekend, it will invite the Socialist People's Party and the Socialist Left Party to a meeting on the current political situation "and the threat from the government and the non-socialist parties of new intervention in respect of real wages and with the threat that non-socialist parties will take over the government power."

Abridgement of Rights Approved

Copenhagen BERLINGSKE TIDENDE in Danish 10 May 82 p 8

[Article by Solveig Rødsgaard]

[Text] The Socialist Left congress has voted down the draft resolution by Preben Wilhjelm, M.P. on democratic rights. It was stressed in this draft resolution that it will, under no circumstances, be a question of limiting the democratic rights toward the former rulers, once socialism has been introduced.

Instead, the congress adopted a proposal from four fractions in which it is accepted that the democratic rights may, under certain circumstances, be temporarily restricted.

This was the second time that a proposal by Preben Wilhjelm was voted down at a congress. This time, 73 delegates voted in favor of the proposal by the four fractions, 57 voted for Preben Wilhjelm's proposal, and 4 abstained from voting.

Prior to the congress, Preben Wilhjelm's proposal--co-author Klavs Birkholm--was supported by 250 members of the Socialist Left Party.

Preben Wilhjelm told BERLINGSKE TIDENDE last night that he was not too surprised that the proposal was voted down.

"However, there has been a considerable development since the last congress. We have 250 supporters now, and the discussion was also more reasonable than at the previous congress, so, in that sense, it is a question of a positive development."

The congress of the Socialist Left Party is closed to the public, but, as usual, a meeting with the press was held yesterday following the congress. Representatives of different fractions were present at previous press meetings of the congress. But, this time, the congress chose Anne Grete Holmsgård, M.P., to represent the entire party. She was not a delegate to the congress and, therefore, had no vote either, but she said that if she had had the vote, she would have voted for the resolution of the four fractions. The four fractions are the Vesterbro Gang, the Socialist Left Leninists, Line 2, and Revolutionary Socialists.

A number of resolutions were also adopted at the congress, but the current political situation was not discussed directly.

In its resolutions, the Socialist Left Party advocates, among other things, a 35-hour workweek and a minimum wage of 55 kroner. There are also resolutions in support of the Palestinian Liberation Front and in support of the Polish workers.

Editorial on SF, VS Congresses

Copenhagen BERLINGSKE TIDENDE in Danish 8 May 82 p 8

[Editorial: "Exam of Left Wing"]

[Text] The Danish left wing is taking exams this weekend. The Socialist Left Party on its own and the Socialist People's Party on its own. When gathering at their congresses, they are separated not only physically but also on the psychological level, where, at the moment, they are farther apart than in many years.

In itself, a distance is created when one party is successful while the other one is consigned to oblivion. But to this must be added that the success experienced by the Socialist People's Party pulls the policy pursued by the party toward central areas of responsibility in Danish politics, whereas the Socialist Left Party, to an even greater extent than previously, may devote itself to discussions on internal, ideological problems.

The Socialist People's Party has been a success during the last few months. The party has, so far, managed to maintain the delicate balance which has been the undoing of previous party leaderships: safeguarding its responsibilities without jeopardizing the connection lines to the party membership. There have been frictions in the process, but, undoubtedly, if compared with the Social Democratic Party, the Socialist People's Party has solved its tactical policy tasks better. That is why the party leadership may take the exam, which the party congress constitutes, in a fairly relaxed mood. A sober-minded observer of the Socialist People's Party has pointed out, in an internal context, that, despite the advance made, it, nevertheless, is a fairly open question how far the Socialist People's Party may go in its cooperation with the Social Democratic Party and the Radical Liberal Party. "Many of the voters are fairly unattached, the competitors are in close pursuit-- and the possibility that the traditional dispute within the party will erupt again exists." The observer points out that a majority of the Social Democratic Party and the Socialist People's Party is a realistic possibility in the eighties. And he draws the conclusion that if the two parties cannot cooperate under the existing parliamentary conditions, they will not be able to do it either in a situation of a parliamentary majority. He is right, and, for that reason, the discussion at the congress will be watched with interest.

It will not be possible to muster a corresponding interest in the brave group of Socialist Left delegates who are holding their congress. Already prior to the party congress, the delegates had got involved in endless discussions on ideological issues. It is to be expected that there will be a multitude of draft resolutions passing from one to the other of the numerous fractions. It is also to be anticipated that it will be equally difficult after the congress as well as before it to establish the political line of the Socialist Left Party. For, at best, it will be defined merely as an endless ramification. But in the very situation of the exam, it may be interesting to ascertain that while the leading speakers of the party a few years ago were still students with a certain flair for taking exams, they have now become so proficient that nearly all of them are sitting on the other side of the table at exams. The previously so youthful Socialist Left Party is losing the fight at the colleges and universities. What does the party then want to do with itself?

Paper Comments on Rights Plank

Copenhagen BERLINGSKE TIDENDE in Danish 11 May 82 p 8

[Editorial: "Rejection of Democracy"]

[Text] The Socialist Left Party, which by virtue of the golden election rules has five members in the Folketing, is no actual revolutionary party. Nobody can have any

doubts that it is working to transform the society into a staunch socialist state, nor is there any reason to doubt how this revolution is to be carried through. It is characteristic of the work of the party that it is the only party the congress of which is hermetically closed to the public. The sole information on the negotiations is obtained through a spokesman.

At the congress held by the Socialist Left Party during the past weekend, a vote is reported to have taken place which is of interest to the evaluation of what the five members of the Folketing represent in the parliamentary assembly at Christiansborg. The vote concerned the extent to which the Socialist Left Party is to respect the democratic rights. One group within the party has long been advocating that the democratic rights should apply without any limitations, but this group was reduced to a minority. The majority was in support of adhering to the position that temporary restrictions of the democratic rights may become necessary. On being asked in detail when such limitations might conceivably become topical, the spokesman for the party gave an answer which was more informative than she would, no doubt, have liked for it to be. She advanced the hypothesis that, in the hour of revolution, there might conceivably be a counter-coup, and, in such a situation, the freedom of the press would, for example, have to be abolished. As a counter-coup would presumably imply that a coup has already taken place, everybody can imagine how the socialist revolution is planned to be carried through. If the new rulers really will be in power, there will be no possibility democratically to seek to counteract the effects of the socialist revolution. The newspapers will be stopped, and the press will presumably be only one example of the intervention undertaken to suppress the liberty which may threaten the revolution.

Most people will be inclined to regard these contemplations and discussions on the part of the Socialist Left Party as expressions of theories which occupy the children of revolution during their dreams of the big socialistic future. Is it anything but figments of the brain? It may not be taken in ill part if statements of this nature give occasion to broad smiles among the public. Nevertheless, it is a game which is taken most seriously by a party which has managed to have five members elected to the Folketing, and which thus represents a not quite insignificant current in the population. The resolution adopted at the congress of the Socialist Left Party, therefore, ought not to be ignored as irrelevant. It ought to be clear to everybody what the forces are which exploit the democracy to overthrow it.

7262

CSO: 3106/114

CHANCELLERY PAPER ON FOREIGN POLICY ISSUES

Hamburg DER SPIEGEL in German 17 May 82 pp 22-23

[Report: "'The Alliance Is Not an Instrument of the United States'--A Chancellery Paper Recommends Political Controversies"]

[Text] "The chancellor is entitled to having people with something to say also occasionally putting pen to paper, and if it has to do with realities, there will be no wish to blame them for it, but they will earn praise." Thus government spokesman Klaus Boelling confirmed the existence and importance of a Chancellery paper reported on by DER SPIEGEL (No 19, 1982). Here is the text of the Bonn paper, which bears the title "Deliberations Concerning a Foreign Political/Sociopolitical Controversy":

Point of Departure

For objective reasons of election and coalition policy, it makes sense and is necessary to set new and controversial lines in the foreign political debate of the near future.

The objective reason: The impression is gaining ground that in the United States--but also in Great Britain--forces desirous of abandoning the policy of detente of the past years are prevailing. If these forces win out, the cold war will revive in the end. This is not in our foreign political, intra-German or economic interest.

Though, in the middle of the convoy, we occasionally have an opportunity to share in making policy, we are at the same time on slippery ground, running the risk of gambling away what has been achieved by way of detente and cooperation in the past years.

The foreign political pressure from the United States and Great Britain is part of an ideological and sociopolitical revival of conservatism in the United States and Great Britain. There exist trends of transferring this development to us. We could adapt to it, but we also could oppose this trend.

The controversy therefore could also have a domestic political dimension. The less we spell out the questionability of social policy in the United States and

Great Britain, the more will the SPD be confronted by its coalition partner (under the slogan of "change") with substantive elements of the neoconservative ideology. Conversely, stigmatization of the neoconservative trend via a controversy with two other countries would help as regards domestic policy and coalition policy.

To set new lines in the foreign political debate is furthermore necessary for election policy reasons.

In domestic politics, the scenario will be determined in the foreseeable future almost exclusively by such negative subjects as unemployment, growing budget deficits, the 1983 budget, the donations affair [Spendenaffaere], Neue Heimat, problems concerning foreigners and so forth.

It therefore stands to reason to superimpose on these negative subjects a new line in the foreign political debate and the controversy deriving from this--similarly as in the 1976 Bundestag elections or in spring 1980 before the Landtag elections in North Rhine-Westphalia.

For this, the voter potential of the coalition promises the requisite echo--remarkably even more so among FDP voters than among SPD voters and, incidentally, also to a notable extent among the CDU/CSU potential.

We know from opinion polls that the majority of our population has the following attitudes:

--It favors a continuation of the policy of detente.

--It favors disarmament negotiations.

--It favors leaning on the United States militarily but not sociopolitically.

--It favors a role of mediator for Europe/the Federal Republic between the United States and the Soviet Union even if this should cause difficulties with the United States.

--It favors an independent policy of the FRG government vis-a-vis the United States.

--It favors increased economic cooperation with the Soviet Union.

--It favors the gas/pipeline deal with the Soviet Union. (The Americans should keep out of this matter.)

Summed up roughly, public opinion says:

--Yes to the alliance but

--no to a sociopolitical adaptation;

--no to subordinating one's own interests;

--yes to the dialogue with the East.

Finally, setting new lines in the foreign political debate makes sense from the point of view of coalition politics. If the foreign political development described above should prevail, the substantive differences between the FDP leadership and the CDU would shrink still further. In the end the most important barrier against a jump by the FDP into a coalition with the CDU/CSU would come down.

It is therefore necessary to force Minister Genscher and the FDP into a situation in which they voice clear support for the SPD-FDP policy of detente and have to turn against the CDU/CSU.

Conclusions and Recommendations

For these reasons we consider it necessary to take a stand against the sociopolitical trend in the United States--and Great Britain--but also against certain foreign political trends, to rely more on European/FRG independence, accepting conflicts with the neoconservative ideology and the Reagan/Thatcher administrations roughly along the following basic line:

--Large groups in the United States and Great Britain are in the process of turning away from common policies and common values in the Western alliance;

--they are jeopardizing the sociopolitical attractiveness of the West in competition with the communists;

--they are putting the policy of detente at risk;

--they are endangering the unity of the Western alliance.

With this line vis-a-vis the Reagan ideology and administration (while definitely dissociating oneself from current Soviet policy), the following stand vis-a-vis the East corresponds:

--Clear ideological confrontation, definite dissociation from Soviet bureaucratization (this is not what socialism looks like);

--these systems we find attractive for third countries or disadvantaged groups only if we do not keep our own house in order;

--definite dissociation from an armament race;

--definite dissociation from imperialist elements in Soviet policy (Afghanistan);

--continuation of the policy of great patience, which hopes for economic and political cooperation being successful in the end;

--careful handling of the Polish crisis, while guarding special German interests;

--figuring that the Eastern bloc will decline makes no sense for various reasons.

In all, an impression of equidistance is to be avoided, but the impression of a "third way" is important.

The line vis-a-vis parts of the United States and Great Britain roughly sketched above could contain the following detailed elements, which should be brought into the discussion in phases and in a varied manner:

1. We owe the United States a great deal--civic freedoms, material aid and so forth.
2. We are in alliance with the United States. We are not departing a millimeter from this alliance.
3. The common values of the West include not only parliamentary government and freedom of opinion but social security, work and making a living, social stability and justice. These values the U.S. and British administrations are putting at risk with their economic and social policies, thus reducing the attractiveness of the West.
4. Confrontations with the economic and distribution-policy ideology of the neoconservatives in the United States and Great Britain. Confrontations with Gilder, Friedman, Kirkpatrick, Laffer.
 - a. We view the role of the trade unions differently from the way they do (participation in shaping sociopolitical policy).
 - b. We are very much concerned about unemployment. We are primarily concerned about the young people without work and training.
 - c. We find it unacceptable to regard poverty as something determined by destiny, as it were.
 - d. Solidarity against an elbow society [Ellenbogengesellschaft].
5. The common value concepts of the alliance partners lose their credibility when the U.S. administration exclusively scores violations of human rights in the communist sphere of power, and not in Western military dictatorships.
6. The formula of the Harmel report of "defense capability and detente" continues to be valid. The FRG government has never deviated from it.
7. The United States has to be told that the alliance must be able to integrate, or at least tolerate, differing interests of its members. This is also true of the special FRG interests in Germany policy, disarmament policy, economic policy and energy policy. The alliance is not an instrument of the United States.
8. European identity/greater independence on the part of Europe. We must take our destinies into our own hands to a greater extent. Close cooperation with France, the Netherlands, Italy, Scandinavia and so forth.
9. The interest-rate policy of the United States ignores the interests of the partners in the alliance and leads to heavy economic and social burdens in Europe.

10. Weinberger, among many others, must be made to realize that the policy of detente in the past 10 years step by step has entailed human relief for East European and GDR citizens. In this way it will also be possible to implement more human rights in the Eastern bloc in the future.

11. Politically and economically, the Soviet Union, the Eastern bloc, is in trouble. Should the United States succeed in prevailing in the Western alliance with the hope of accelerating the presumed decline of the Eastern bloc through political and economic pressure, this would lead to solidarization within the socialists camp and destroy the beginnings of liberalization.

12. Political and economic cooperation with the Soviet Union and with East Europe yields benefits for both sides. It contributes to stability. Gas/pipe-line deal.

13. The possibility of implementing sanctions and of sanctions being successful is subject to question. On the other hand, prospective economic and political stimuli are a rather promising device. Halfhearted pinprick sanctions have a ridiculous effect on public opinion; in the final analysis, their insincerity is a liability for the alliance.

14. Connecting disarmament negotiations (START) with Soviet "good behavior" runs counter to the interests of the Western alliance.

15. Differences in Africa policy.

16. In the case of the predictable criticism by the United States, a defensive, yielding stand will not be successful in the long run. Our reaction must be based on our being conscious of the fact that there too one will realize sooner or later that the true friends are the critical ones.

Risks

The proposed controversy entails a number of risks:

a. In questions of Germany policy, security policy and economic policy, the FRG to a certain extent is dependent on the United States.

In light of the hostility of part of the U.S. press in situations of conflict, this dependence is felt strongly in this country even when it is not reflected in definite decisions by the U.S. administration.

b. The opposition--supported by this country's conservative press--will exploit conflicts with the United States and reproach the FRG government with treason against the Western alliance and the vital interests of German policy.

c. The Soviet Union has made a policy of detente difficult. (Afghanistan, SS-20, Poland.) This could get even worse.

d. Foreign Minister Genscher will resist a strategy of conflict vis-a-vis the Reagan administration. In the process, he will, however, face the difficulty

of the majority of his voters and large parts of his party being skeptical toward U.S. policy. If he ignores this skepticism, support for him might be canceled. (For this reason too, it is appropriate to conduct the controversy in a period preceding a Landtag election--in the actual case, before the Landtag elections both in Hamburg and in Hesse.)

So far Genscher has been permitted to avoid this difficulty by a change in line. On the one hand, he emphasizes (for example, taking account of the opposition's criticism of the Rakowski visit) that an "interruption of the channels of dialogue (would) have no effect at all," that we will "weigh very carefully" what we "will do jointly with others," that disarmament negotiations cannot be described as "a gift of the West to the East," and so on. On the other hand there are his labored efforts for alignment with the opposition.

There is another thing that should be taken into account here. At the working level of the Foreign Office, a theory is being advocated--following the U.S. administration--which casts doubt on the policy of detente. The paper of the Foreign Office planning staff is an indication of this. (One could push it aside as an insignificant isolated case if one did not have to take into account the fact that in bureaucracies ideas generally are articulated only when the climate there is receptive for them.)

Despite these risks it will pay substantively, in elections and also as regards the stabilization of the coalition to stick to the policy of detente and our sociopolitical line in conflict with the United States.

The controversy is credible only if it does not appear as a flash in the pan and as an election campaign maneuver. The subject must persist at least until the Hesse Landtag elections, which should not be especially difficult in light of the many relevant scheduled events.

8790

CSO: 3103/471

HELSINKI PAPER DISCUSSES REPERCUSSIONS FROM CP CONGRESS

PM191403 Helsinki HUFVUDSTADSBLADET in Swedish 18 May 82 p 2

[Editorial by Jan-Magnus Jansson: "An Ambiguous Result"]

[Text] After its extraordinary congress the Finnish Communist Party [SKP] finds itself in an ambiguous state, to put it mildly. It is possible to read almost whatever you like into the congress' outcome. You can make assumptions and counterassumptions with just as much probability.

At any rate the course of the congress was much more dramatic than expected. It was reasonable to assume that the congress would stick with ineffective half-measures. But as far as the congress' central question--the composition of the Central Committee--was concerned, much was done to put the minority in its place. This in turn led to the minority's refusing to take part in the work in the party's central bodies--that is, it went as far as it could without actually splitting the party.

Another surprise was the election of the party chairman. Despite the fact that it was well known that Arvo Aalto was controversial, people inside and outside the party assumed that Aalto would be placed in Saarinen's empty chair. The so-called third line which aims at reconciliation within the party won a victory in the election of Jouko Kajanoja instead of Aalto, who is hated by the minority; (it should be noted that the election of the chairman took place after the split in the Central Committee had become known).

There was no life-or-death struggle between Kajanoja and Aalto at the congress. Aalto, who himself made an official proposal for Kajanoja's election, was probably pleased to see his younger party colleague take over the difficult function of figurehead for a divided party, while Aalto himself hung onto the keys of power. But it is also possible to ask oneself how strong Aalto is without Saarinen. It is true that he has largely got the Central Committee he would like. However, during the congress his support was tottering noticeably. How will things be in the future, and what will the result be when the minority communists attack him day after day? Will this weaken or, on the contrary, strengthen his support within the party?

In our opinion the situation could lead to friction between Kajanoja and Aalto. While the new party chairman is an unknown quantity in the party

context, it is known from his period in the government that he is self-possessed, colorful and hungry for publicity. He is bound to be dissatisfied with a second class role and, even though his general views are not very different from Aalto's, he has ambitions to unite the party. This means that he will propose concessions to which Aalto and his wing will not agree.

Neither the party nor the minority communists are likely to suffer any hardship through a trial separation at present. The minority has its own press and it has control of a sufficient number of circles to be able to form from them a sort of party within the party. They are also bound to feel that they are at liberty to undertake various "mass actions." The majority on the other hand is the only wing represented in the government, and now also in the party's central organs.

Perhaps a period of "wait and see" would suit both the majority and the minority. But there is also the rest of society exerting pressure with its democratic institutions and rules. First there are the problems faced by the SKP Eduskunta group. There much effort has led to a sort of patchup after the conflicts. What will happen to group cooperation now? It is likely that the minority will be more willing to cooperate with the party majority within the group framework (formally, of course, it is the Finnish People's Democratic League Eduskunta group) than within the party? And is there any reason to believe that it will be now more ready than before to acquiesce in the majority line in Eduskunta decisions?

We are also approaching an Eduskunta election. Within the foreseeable future the question of whether the majority and the minority will be willing to cooperate in the nomination of candidates for the Eduskunta will arise. If the minority is no longer represented in the party's electoral alliance and acts separately in the election, then the party will have split according to the usual standards of our society, regardless of how this has happened.

And then we have the international aspects, and these are by no means the least important. Aarne Saarinen ended his career as party chairman with a speech which in its frankness is without parallel in Finnish post-war history and in which he did not hesitate to openly criticize the CPSU for having given the minority within the Finnish party, through its one-sided statement, ammunition for its war against the party leadership. It is hardly possible to dispute that Saarinen was right when he described the Soviet party document as a "mistake." Its contents indicate that the document's authors miscalculated its political effect. They seem to have assumed that awareness of the Soviet position would persuade the majority into making concessions to the minority. It is worrying if incorrect information about the actual situation lay behind the document--a factor which for example could also have led to the misjudgements of the situation prior to the Center Party Congress in Kuopio.

It is of the greatest importance how the Soviet party now evaluates the situation which has arisen. It is possible that a reassessment will take place in the light of the events at the congress, but it is also possible that the party will consider that it should continue along the line that

has adopted of support for the minority and criticism of the majority. The latter case would mean that one of our government parties would find itself in an ideological and political feud with the CPSU--an absurd situation which could hardly leave other Finns unconcerned.

It is tempting to compare the situation with what happened gradually after the Social Democratic Party Congress in 1957. However, there is no reason to take the parallels too far. Among the Social Democrats it was the "minister wing" which formed the minority, and besides, the political situation was considerably different from the present one. However, it cannot be denied that a new situation with potentially far-reaching political repercussions is coming into existence.

CSO: 3109/162

CHANGE IN STAND TOWARD USSR DENIED

PM261045 Helsinki HUFVUDSTADSBLADET in Swedish 21 May 82 p 4

[Editorial by Jan-Magnus Jansson: "On the Lookout for Change"]

[Text] For a journalist, change is more interesting than continuity. He wins no spurs by visiting a country and reporting that everything is as it was; what fascinates him is charting new attitudes and new trends, perhaps even guessing from small symptoms changes that could come.

For this reason it is not so remarkable that the world press's interest in Finland in recent months has primarily been directed at looking for new features emerging since the presidential election. The point of departure here, understandably enough, is that so prominent and dominant a figure as Urho Kekkonen cannot disappear from the scene and be replaced by another, less dominant but nevertheless in many ways interesting person such as Mauno Koivisto without this leaving its traces.

In Finland too a constant stream of seminars and discussions are being organized on the subject of "Finland after Kekkonen" in various forms, but the theme here is primarily domestic policy. No one denies that major domestic political changes have already begun or are on their way, now that the president-centered regime has disappeared and been replaced by--in President Koivisto's own words--a more parliamentary regime. Nor is anyone closing his eyes to the changes now taking place in the party system, forced on by the electoral college election as if by the temperature in a greenhouse. Fewer and fewer people are dismissing the possibility that the government coalition, which has been stable (or, if you like, frozen) for the past 15 years, could undergo changes, and so on.

On the other hand, few Finns are likely to agree with the claim that changes are also to be expected in foreign policy. Indeed, it is even possible to say that if the domestic political changes are to have free rein, foreign policy must remain firm. For it was "foreign policy necessities" which in their day molded domestic politics in such a rigid form, split the nation into sheep and goats and made the president a towering figure far above the herd of ordinary politicians. If we want to avoid a repetition of this, it is precisely foreign policy continuity which is essential.

For foreign observers who write about Finland it is, however, only foreign policy which is really important. A growing number of articles in the foreign press are now claiming that shifts in emphasis and changes of nuance are under

way in Finnish foreign policy. This is especially true of the attitude to the Nordic nuclear-free zone, but beyond this attempts are being made to find more far-reaching evaluations.

In a major article in the NEW YORK TIMES of 17 May, John Vinocur wrote, for example, that there is a growing tendency in Finland to take the view that cooperation with the Scandinavian countries "is just as important for the country's future as good relations with the Soviet Union." Vinocur noted that during his visit to Moscow, Koivisto did not mention the nuclear-free zone directly. On the basis of this and a few other statements by the president, Vinocur considers it possible to conclude that Finland's interest in the zone plan has cooled and that our country will refrain from its "active role of advocacy" of a zone in Scandinavia and Western Europe.

In Norway--where Finnish foreign policy has led to a splendid little quarrel between AFTENPOSTEN and DAGBLADET, traditionally a paper with a more understanding attitude to Finnish foreign policy--the former newspaper has, for example, spoken of "the clear shift in the direction of the Nordic countries" which, without damaging "fundamental and reasonable" Soviet interests, is said to have taken place in Finland in recent months. This statement forms part of an editorial the paper devoted to Saarinen's tough party conference speech.

Finally, in a well-documented article in FINSK TIDSKRIFT on the zone question, Steve Lindberg writes that the zone as an objective "is increasingly taking on the characteristics of a relic from the liturgy from the late Kekkonen era, unrealistic from a foreign policy viewpoint but advantageous in domestic policy." However, he does give the zone idea some recognition as a link in the detente process in Europe.

If all these observers are right, we are now facing what seems a paradoxical state of affairs--the official Finnish interest in the nuclear-free zone is cooling at the same time as it has become a more popular objective for peace activists among the people. This in turn could hardly avoid creating a basis for some internal political tensions, and perhaps also for some new nuances in the overall picture of our foreign policy.

However, it seems to us that there is a tendency to draw too far-reaching conclusions on the basis of very few facts. As far as the president's visit to Moscow is concerned, we can point out that the final communique stated that Finland's proposal for a nuclear-free zone "is still alive." Perhaps we should remember that the present world situation means that the zone plan cannot make much progress. Frequent public discussion cannot therefore lead to any results, but this does not necessarily mean that the zone has been dropped as a goal for Finnish policy. The fundamental fact that the deployment of nuclear arms in Scandinavia would drastically alter Finland's position remains the same.

Of course, it is true that Koivisto does not have the same personal commitment to the plan as Kekkonen did, and it would be possible for him to use this freedom in a flexible way. However, it should be borne in mind that under Kekkonen too the plan was put forward as general viewpoints in two speeches (1963 and 1978) and that it had changed significantly in content in the second speech and

was linked to a political situation and to the superpowers' attitudes to a greater extent than before.

As far as the other claims made about a new direction for our foreign policy are concerned, no one can reasonably be opposed to a more active Nordic strand to Finnish foreign policy. On the contrary, it is something which there has often been reason to call for. However, it is foreign for the Finns to speak of some sort of change in priorities, since both the Soviet and the Nordic strands are fundamentally important to us.

Nevertheless, a large number of statements about changes in our foreign policy are in themselves a fact to reckon with. We take the view that a change in style is being confused with a change in content. But it is obvious that only clear statements from our foreign policy leadership can disperse possible misconceptions. The UN disarmament session in June could furnish the opportunity for something of the sort.

CSO: 3109/167

MARCHAIS ACKNOWLEDGES PROBLEM IN PCF STAND ON POLAND

Paris LE MATIN in French 27 Mar 82 p 2

[Article by Alexis Liebaert: "Poland: Marchais' New Tone"]

[Text] Now he speaks of the "damage to the socialist cause itself" resulting from the Polish crisis.

What a change in tone for Georges Marchais to emphasize "the damage the events in Poland inflict on the very cause of socialism"! The results of the cantonal elections obviously persuaded the PCF leaders that some change was necessary. A change which could already be seen in Pierre Juquin's interview to LE MATIN [translation published in JPRS report 80563 14 Apr 82 #1942 pp 80-85] was confirmed by the PCF secretary general on Thursday before his party central committee. The framework within which he places PCF action is also important: governmental solidarity without any overbidding tactics and spreading out ("union in action everywhere").

Even if they officially regard the cantonal elections results as expressing a "stabilization of the electorate" of their party, everything suggests that the communist leaders attribute particular importance to it. This is demonstrated by the work of the PCF Central Committee which met on Thursday. The two principal speakers, political bureau member Madeleine Vincent and Georges Marchais, both sought to persuade their audience that an electoral comeback for their party is possible. Above all, they tried to set forth the conditions for this. One particularly recalls from Madeleine Vincent's speech (yesterday's LE MATIN) her declaration that this revival "will not take place in one day and will require much effort from the party." This is far from Georges Marchais' boasting when on the evening of 14 March (encouraged as he was, it is true, by the "optimistic" estimates of CII-Honeywell-Bull) he announced that the PCF would get around 17 percent, a figure which, according to him, showed a "promising resurgence."

There is an important new element in the PCF secretary general's analysis of his party's electoral decline: the role he attributes to the Polish crisis in the disaffection of a part of the party's electorate. He explained:

"The damage which the events in Poland inflict on the cause itself of socialism, and ignorance of our real attitude toward them, have no doubt helped prevent some of these communist voters from returning at once to their natural vote."

Thus it appears that the PCF secretary general no longer sees "any possibilities developing of moving toward a peaceful outcome," as when he wrote to Marshal Jaruzelski last 23 December. Unless, to put the matter more simply, Georges Marchais, having accepted the damage he suffered from the PCF position on the Polish crisis--a position which was, to say the least, ambiguous--has now decided to favor his party over the cause of internationalist solidarity.

Equally interesting is the framework within which, according to its secretary general, PCF action should henceforth develop. There is no question of outbidding in relation to the government or even the PS [Socialist Party]. "Such an offensive step by us could only be equated with behavior which would consist of asking more than the others on every occasion. It is not through 'laying it on,' as they say, that we shall assert our quality as a revolutionary party. To act in such a way would be to ignore the realities and the political choices the country has made." He confirmed these observations yesterday on France-Inter, saying, "I am not a demagogue; everything is not possible. One must make the necessary choices." This concept of governmental solidarity is likely to satisfy the most demanding of Socialist leaders.

Finally, it will be recalled that Georges Marchais called on all members for a mobilization to insure "a great future for the PCF." But it is a very singular mobilization since he added, "We are not speculating, as can be sometimes read in these stupid analyses, on the failure of the new policy.... Today our task is to work to forge once again, and everywhere extend, union in action of the forces for change."

9772

CSO: 3100/541

MARCHAIS' 'RIGHTS OF MAN' COMMITTEE DISAPPEARS

Paris RENCONTRES COMMUNISTES HEBDO in French 18 Mar 82 pp 4-5

[Article by Eddy Kenig: "Lost...The Rights of Man in Solitary Confinement"]

[Text] The Committee for Defense of Liberties and the Rights of Man, presided over by Georges Marchais, has disappeared.

On its first anniversary, a year ago, it was the subject of an article in L'HUMANITE and even a special edition of REVOLUTION. Pierre Juquin and Georges Marchais promised to "meet next year for a new balance sheet of activities."

However, this year, for its second anniversary, there is silence.

The Communist Party is conducting a continuing program on El Salvador and on Turkey which for the most part is in the committee's field of competence, but without the latter taking the smallest part in it.

This omission is no more a coincidence than was forgetting to inform party members of the leadership's decisions and their motivation.

In each of two possible hypotheses, either secret death or temporary eclipse, one can only see a failure that is all the more noteworthy, since when the committee was created Georges Marchais termed it a "very important decision."

It can certainly be argued that to the extent that the committee was provided no autonomous structures and only disposed of the organizations and resources of the party for its activities its existence signified nothing on the practical level.

But the goals proclaimed by the PCF leadership were by no means at such a level. It was a matter of undertaking a new step in the party's continuing struggle in this domain and of promoting a broader, richer and more universal concept of the rights of man and of freedom.

However the exact status of this step in the party strategy was not without ambiguity.

By making himself head of the committee, Georges Marchais was certainly underscoring the importance he attached to the initiative taken; yet, at the same time he was showing its inevitable subordination to the parties' objectives of the moment. Likewise, the declarations about the fundamental, permanent character of the committee's action were downgraded by the parallel revision in the estimate of the situation in regard to freedom in socialist countries.

In fact, despite all the care in the language used, it was obvious from the beginning that the major concern was to conduct ideological warfare in order to struggle with imperialism and its supporters for a terrain rendered dangerous by certain aspects of real socialism, rather than seek to make the fight for the rights of man an integral part of the struggle for the liberation of peoples, for democracy and for socialism.

In this connection it is interesting to note that in the resolution of the 23d congress--held a few months after the committee was created--the rights of man were only dealt with from the viewpoint of condemning their "false champions" and do not appear among the major themes of struggle characterizing world evolution.

If doubts still remained concerning the truth about the orientation adopted, they were gradually dispelled by the practical policies put into effect.

On the internal level, party action was not significantly affected by the creation of the committee. Nothing was done so that the committee could extend into factories and local jurisdictions, nor to profit from previous conquests, such as the Declaration of Liberties of 1975. In serious cases, such as the Montigny case, individual rights, judicial guarantees, and the presumption of innocence were all abandoned under the cover of the need to combat drugs.

At the international level, the universality which was to characterize the committee's action was completely forgotten. The fate of the campaign, launched with such fanfare, for the liberation of 12 political prisoners, symbolizing all the victims of political repression, is significant. L'HUMANITE started out by dealing with it regularly, and even published a series of portraits of the personalities concerned, but this was stopped before they got to the last ones on the list: Anatol Shcharanskiy and Vaclav Havel, imprisoned in the USSR and in Czechoslovakia, respectively. Since then, the PCF, as well as L'HUMANITE and the committee, have left them in the oblivion of their prison cells...

It is well understood that the events in Poland posed head-on the question of the committee's existence.

As secretary general of the PCF, Georges Marchais could explain that the state of war, with its parade of arrests and of destruction of liberties, is a regrettable political necessity.

But what can Georges Marchais say as chairman of the Committee for Defense of Liberties and of the Rights of Man? It is understandable why he preferred to remain silent.

This sidestepping is not only pathetic and distressing from the moral point of view. It demonstrates the inability to separate oneself from a political point of view in order to truly take into account the problem of the rights of man at its level in our times.

It is a question of a need felt daily by millions of men and women and as such it is an integral part of the struggle for the emancipation of peoples, for the strengthening of democracy, for the construction of socialism. This means that this struggle should be given the universal and indivisible character of the hopes we have for humanity as a whole.

Many communists have understood this. They do not place the struggle for the rights of the Salvadoran people in opposition to the struggle that ought to be conducted for the rights of the Polish people. Beyond appearances and coincidences likely to influence the form of action, it really is one and the same struggle.

9772

CSO: 3100/541

MITTERRAND-MAUROY RELATION, PSF RIVALRIES EXAMINED

Paris LE FIGARO MAGAZINE in French 30 Apr 82 pp 70-73

[Article by Christine Clerc: "Mitterrand-Mauroy: the Story of Their Divorce"]

[Text] Did Mitterrand choose Mauroy as prime minister in order to get rid of him more easily? The chief of state has not forgot that 2 years ago, the mayor of Lille preferred Michel Rocard to him.

"As for the prime minister, Pierre Mauroy, I again express my complete confidence in him." Does Francois Mitterrand feel only a slight internal shudder when he publicly pronounces this ritual homage of the presidents of the Fifth Republic toward their doomed prime ministers? Is he thinking, at this moment, that he has just completed, in 11 months, the perfect--because invisible--political assassination of a man, Pierre Mauroy, who was just recently his friend but whose "treason" he has not forgot?

And is Pierre Mauroy, who now reddens under the photographers' flashes, heaving a careless sigh of relief? Is he candidly happy to see himself knighted again before all his pitiless young rivals--the Joxes, the Jospins, the Quileuses and other Fabiuses--who for months have been keeping a close watch on his blunders and are only waiting for a sign to finish him off? Does he finally believe, from force of repetition, that the disturbances are subsiding, that the economic revival will really happen--if not in the Joan of Arc style, at least in that of Toussaint--and that between now and the 1983 municipal elections, he will have--or almost--slain the dragon of unemployment and inflation?

Or do the two men look back nostalgically on their friendship, as if they were viewing again an old film that begins with a carefree run on the town by young friends and ends like a classic tragedy?

It was in 1965--17 years ago, now--that they met for the first time. Pierre Mauroy, a professor of technology who had come up to Paris as national secretary of the Young Socialists, became, in the SFIO [French Section of the Workers International (French Socialist Party)], second-in-command to Guy Mollet. But another dissatisfied man, fighting for a rejuvenation of the old party--Francois Mitterrand--already had, for his part, a brilliant ministerial career behind him. But having become just a simple deputy for Nievre again, at the

head of a small formation (the Convention of Republican Institutions), he was now drawing his glory only from being "the pitiless tribune, the anti-De Gaulle man par excellence."*

After a meeting in Lille among representatives of the SFIO, the Convention of Republican Institutions and the Radical Party, the two men took the same train back to Paris. On it, Pierre Mauroy recalls, "our first conversation had to do with the defamation campaigns waged against him... He spoke of his past with such strength of conviction that he convinced me--if I had not already been--of the inanity of the accusations against him. This first conversation," Pierre Mauroy adds, "made a lasting impression on me. Even before we put the seal on the political commitments that enabled us to succeed at the Epinay congress, a profound accord had been established between him and me during this tete-a-tete on the Lille-Paris line." Through 13 years, the young "Chti'mi," subjugated by the great "Florentine" politician; to the point of imitating even the inflections of his voice, was to help him make socialism, which had been moribund since the 1960's, into a great force again.

This accord was to last for 13 years. In 1965, the year of Francois Mitterrand's first presidential campaign, Pierre Mauroy was his departmental deputy for the Nord. In 1971, at the Epinay congress, when Francois Mitterrand, as the leader of a reunified Socialist Party, decide to propose to the Communists a discussion on a common program of government, Pierre Mauroy, braving Guy Mollet, supported him. Likewise, he never stopped supporting him, as a faithful lieutenant or a faithful dauphin, until December 1978. That was the year in which a crack appeared in their friendship--because of the rival to Francois Mitterrand who rose up in the Socialist Party: Michel Rocard. Just after the setback of the legislative elections of March, Michel Rocard made a declaration ("The Socialists have led themselves somewhat astray.... We must construct a great project") that Francois Mitterrand's friends considered a stab in the back. This was the beginning of a pitiless war between partisans of Michel Rocard and partisans of Francois Mitterrand--a war which (apparently, at least) was not to end until Francois Mitterrand entered the Elysee last May.

His Preferred Role

But after wearing himself out for months at playing the role of "reconciler" or "rallier" (his preferred role), Pierre Mauroy came down, at the Socialist congress in Metz in 1979, on the side of Michel Rocard. And in February 1980, he declared squarely in favor of his candidacy for the presidential election. Why this choice, which was obviously felt by Francois Mitterrand as "treason"? First of all because Pierre Mauroy, while proud to be the friend of Francois Mitterrand, has also considered himself, and for a long time, as the great brother protector of Michel Rocard. The two had met in the town of Malesherbes in 1952, when Pierre Mauroy had his office there as national secretary of the Young Socialists and Michel Rocard, as a youthful dissident of the HSP (Protestant Higher Society) and a Socialist student, soon in the PSU [Unified Socialist Party], used to blast through like the wind on his motorbike. In 1974, it

* Pierre Mauroy, "Les Heritiers de l'Avenir [The Heirs of the Future] (Flammarion).

was Pierre Mauroy who got the former PSU leader into the PS. But there is another reason, a more secret and profound one, for Pierre Mauroy's behavior: this schoolteacher's son and butcher's grandson from the Valenciennes felt humiliated. By Francois Mitterrand himself, whose distant manners and style of a scholarly grand-bourgeois he sometimes had trouble accepting (one day, recounting his first breakfast with the secretary of the Socialist Party, Pierre Mauroy confided: "I had the impression of being admitted to the castle"). But especially by the young guard that the Socialist leader set up for himself, from 1972 to 1978. Jacques Attali, Lionel Jospin, Laurent Fabius, etc--all those supercilious types ("many of whom," Pierre Mauroy suspects, "went into the Socialist Party solely in the hope of becoming ministers") have, like their elder, Pierre Joxe, only contempt for "the lack of ideological rigor" and "the absence of culture" of this Chti'ni who had risen among the blue-collar workers of the old SFIO. They were to try to sideline him--to the point that one day in Spring 1979, Pierre Mauroy cried out, at the end of his patience: "Is there a nobility and a third estate in this party?"

Beyond the doctrinal debate of that time--almost forgotten today--on the terms of the union with the Communist Party, on the scope of the nationalizations and on the rate of the break with capitalism, what was involved was therefore a class struggle combined with a struggle for power.

In June 1979, Pierre Mauroy, dismissed from the party leadership since the Metz congress, found himself practically prevented, by Lionel Jospin and Paul Quilès, from going before the provincial federations, while Laurent Fabius, who at the time was spokesman for the PS, prevented him from speaking on television, to which he had been invited by Jean-Pierre Elkabbach. Until 1981, the climate only got worse. On all floors of the PS headquarters there prevailed what Jean Le Garrec, the friend of Pierre Mauroy who had become secretary of state for nationalizations, called at the time "the strategy of suspicion." "If anyone of Francois Mitterrand's entourage stopped on Pierre Mauroy's floor," he sighs, "the word went out that he was committing treason."

Reputation as a Moderate

Has Francois Mitterrand, as a magnanimous Emperor Augustus, therefore granted pardon? Certainly not. Never will he forget that winter evening in 1980 when, already abandoned by so many of his friends, he heard Pierre Mauroy declare: "I state that my friends and I will give our support to Michel Rocard." "That evening," he confided later to a friend, "I felt a mantle of ice fall on my shoulders."

However--and in this way he is superior to his predecessor in the Elysee, Valéry Giscard d'Estaing--Francois Mitterrand has known for a long time that in politics, one must know how to use even those who have deceived or betrayed you. Therefore he was initially to make use of Pierre Mauroy, whose frankness and warmth are such as to reassure the employers and the middle classes shocked by the unexpected victory of the left and whose reputation as a moderate was to

* To the Press Club of Europe I.

make it possible to get reforms as radical as the nationalizations passed calmly. Francois Mitterrand does not doubt that in this clever game, Pierre Mauroy is losing his credibility and demonstrating that he does not have the makings of a president of the republic. Well, hasn't the day of sentimentality passed? Because he fought it for so long, the Socialist president understands the Fifth Republic's rule of the game perfectly well--a rule of the game that he summarized as follows 10 years ago, with ferocious humor: "Mr Pompidou does not treat Mr Chaban-Delmas any better than General De Gaulle treated Mr Pompidou.... What is involved, beyond personalities, is a law specific to the system that governs us. In our constitutional fishpond, two presidents are one too many. Nature is there--it invites you and loves you: the bigger eats the smaller."*

So it's almost done! The bigger, Francois Mitterrand, has eaten the smaller, Pierre Mauroy. Or rather, he has let himself be devoured. In 11 months, Pierre Mauroy has been seen chairing dozens of committees, from Lille to Montpellier, with Dijon en route. He has exhorted hundreds of employers to invest and thousands of workers to mobilize in the "battle for employment." He has ceaselessly explained his economic and social policy from the rostrum of the Assembly, on television, in the town halls and even under the big tops, where he has gone to endorse, in the legislative by-elections and in the cantonal elections, some third-category candidates (such as Marc Fromion, candidate against Alain Peyrefitte in Provins). Just between 1 June and 1 January, he gave 76 speeches (a figure of which he is so proud that he has made a point of publishing it, so that everyone can compare his performance with that of Raymond Barre--22). He has been heard alternately threatening the employers and assuring them that he was burning to give them confidence in the future; promising the 35-hour week and explaining that it would not be reasonable. He has been seen, he has been heard, he has been seen....

So much so that what had to happen and what Francois Mitterrand, in any case, had certainly foreseen, has indeed happened: by putting out so much of himself, the prime minister has worn himself out. Francois Mitterrand could write of him what he wrote about Mr Chaban-Delmas 10 years ago: "We have lost the prime minister. Where does this split of personality come from? Mr Chaban-Delmas (read: Mr Mauroy) is everywhere--almost. The prime minister is nowhere."

So the old rancors, stirred up by the cantonal-election setback, are rising up again. While the opposition mocks, the ministers (Badinter, Defferre, and whose turn is it next?) confront one another publicly. And while Laurent Fabius artfully calls for "a pause in the curt remarks" and Michel Rocard prudently keeps quiet, Lionel Jospin and Pierre Joxe openly find fault with Pierre Mauroy, who strives in vain to put the house back into some kind of order before the master's return.

For the master is absent. He is traveling in Japan. Between a reception by the emperor and a robot exhibit, he meditates on this thought by a Japanese philosopher: "It is not the cherry blossom that is beautiful, it is the instant when it is about to fade."

* "La Paille et le Grain" [The Straw and the Grain], Flammarion, 1972.

On his exit from the airplane. what tumult! People press him from all sides to arbitrate, to settle things, to rework his government, to name a new prime minister. In short, to speak.

Speak? To be sure, he will speak. Starting the day after his return, Francois Mitterrand reprimands undisciplined Socialist ministers and leaders. Several days later, the tension having subsided and the prime minister having regained a little altitude by taking flight for a distant destination--Canada--he addressed the French people in order, it is said, to "reassure them."

But decide on something? Do people imagine that he, Francois Mitterrand, could decide, under the pressure of events and the criticisms, on a change of orientation of his policy and a change of prime minister? That would be to understand him very poorly. When everything around him is in turmoil and the waiting and the anguish are exasperated, he continues to choose immobility and wears his preferred mask: that of the Sphinx. Do you remember that summer of 1980 when Pierre Mauroy and the others were pressing him, beseeching him, calling on him to declare whether he was or was not going to be a candidate for president of the republic? Francois Mitterrand was in his Latche sheepfold. To his disturbed visitors, whom he took on walks in the Landes, he spoke of the disease of the pines and that of the beeches. But about his political future? Nothing at all. For the more a decision preoccupies him, the more detached from it he appears. So it was the other Wednesday in the Elysee. After breakfast, the president of the republic's anteroom was buzzing with people. The minister of economy and finance, Jacques Delors, was there (he is received very often these days), plus an ambassador who had just prepared for the next presidential trip--to Denmark, Africa, and Austria or Spain--plus half a dozen advisers.

The chief of state completed his walk in the park, in the company of Daniele Mitterrand and his Labrador, Nil. He stopped to inhale the air of the Paris springtime and savor the spectacle of the vast conch-shaped green, and raised his eyes to the big beeches that had blossomed royally during his trip to Tokyo. Then he resumed his walk, with very restrained steps, and stopped again, this time to look at some photos that his wife showed him.

Superbly indifferent to the ups and downs of the administration? Superbly detached, after discovering the intoxication of travel and summit meetings, from domestic France? People say so. Actually, this is not the case at all. But in periods of turbulence, Francois Mitterrand has always sought what, quoting Pascal, he calls "the point of equilibrium."

What Prime Minister?

From this point of equilibrium, where he immobilizes, what does he see? The blunders, the incompetence of several of his ministers, or course, and that annoys him. But also, when all is said and done, and despite so much discord and incoherence, some great reforms under way. Socialist France, as he had drawn it in his 110-point candidate's manifesto, is in the process of being created in earnest. Francois Mitterrand now knows that whatever happens, he will have made his mark on the history of France. And for him, that is the main thing.

There remain--in addition to the confrontations still to come between Socialists and between Socialists and Communists--two subjects of major uneasiness: the growing insecurity, due both to the development of international terrorism and the aggravation of delinquency; and the economic situation--the revival so much heralded is already vanishing and the deficits are getting bigger. If there should be a further devaluation of the franc, the Socialist president could no longer play the role that he aspires to on the international scene.

What prime minister, then, could both carry on a rigorous economic policy and give the French the impression again that "the country is being governed"? Jacques Delors? After having for a long time distrusted the former adviser to Jacques Chaban-Delmas, and a left-wing Christian to boot, Francois Mitterrand has conceived a real esteem, and even affection, for his minister of economy and finance. But while he is held in high regard by the employers and the managerial class, Jacques Delors is too suspect in the eyes of the PCF and of the CGT. Jean-Pierre Chevenement, for his part, offers the advantage of being "marked as a left-wing person" by virtue of his long years of Marxist militancy. There's nothing like a left-winger for conducting a right-wing austerity policy! But putting him into the Hotel Matignon in the near future--wouldn't that be to give wings to his ambition too soon? And so? Charles Fiterman? He is a capable, conscientious, disciplined, effective minister who would have made an excellent prime minister. And besides, what a pleasure to make bourgeois France shudder once again, while at the same time tying up the Communists! But the PCF's electoral representation has really fallen too low. Thus it would not be a move based on courage or skilfulness; it would be provocation. There remain Louis Mermaz, who has learned how to moderate his remarks but remains unpopular, and Pierre Joxe--the most faithful of all, a tireless worker and a good organizer. But Pierre Joxe has a genius for trenchant little remarks that do a lot of damage.

Well, then, Pierre Mauroy, reinflated with a few compliments, will last a few good months to come! The time that it will take for the president of the republic's decision to ripen, in the heavy, fragrant heat of the Landes. When things resume in September--but perhaps earlier--Francois Mitterrand will know which of his friends or his enemies he would, after Mauroy, be well-advised to "eat." While awaiting--since such is the pitiless law of the Fifth Republic fishpond--the one who will "eat" him in turn.

11267

CSO: 3100/635

HAITIAN REFUGEES CREATE PROBLEMS IN FRENCH GUIANA

Paris LE MONDE in French 4 May 82 p 6

[Article by Philippe Boggio]

[Text] The phenomenon has not reached the proportions of the migratory movement to the Florida coast, but it is no longer just a trickle. Several thousand Haitian refugees reach French Guiana every year in the hope of finding a job. They are said to total 20,000 at present--some say 25,000--and in many cases they entered illegally. French Guiana's 65,000 inhabitants are worried about the arrival of a steadily increasing number of immigrants.

During the cantonal election campaign, all the political parties--whether on the left or the right and whether supporting departmental status or independence--denounced a situation which is poorly controlled by the government and which is already altering French Guiana's social landscape.

Cayenne--Their lack of understanding is puzzling. What equinoctial fever could be disturbing the French Guiana temperament in this way? What is wrong with those former immigrants--those "mixed-bloods," Amazon Indians, descendants of maroons,* and sons of convicts, Chinese, Martinique Creoles, Syrian-Lebanese, Indonesians, or metropolitan French--who make up the most heterogeneous of the overseas departments, that they should be trying to close the doors of their old Eldorado to new arrivals?

In many cases, they are scarcely assimilated themselves before they start cursing the foreigner. One young woman, for example--whose husband is a merchant from France--complains that in the evenings she has to slow down on the road to Montjoly, Cayenne's seaside suburb, to avoid running over Haitians who suddenly appear in the beam cast by her headlights. Those Haitians walk from

* The maroons are descendants of the African blacks who escaped slavery in the Caribbean. Two tribes--the Boni and the Bosch--that took refuge in the forest now live partly in French territory along the Maroni River.

10 to 15 kilometers, alone or in clusters, before collapsing on straw mattresses in huts rented at the price of a low-cost housing unit in France. They walk because the capital seems never to have heard of buses. "Look at them," she says, "They get as confused as chickens." The "chickens," backs bowed and steps uncertain, follow the ditch in a manner characteristic of game that has not outdistanced the hunter. "Poor Haitis." Like many Creoles, the lady at the wheel has shortened their name, distinctly pronouncing the three syllables--"Ha-i-ti"--in a tone of irony mixed with pity and vague contempt.

Over 20,000

For years their awkwardness was a delightful topic of conversation during the cocktail hour in shady arbors. Comments were made on the apathy and slowness of the first immigrants, who arrived in 1979, and on their ignorance when it came to the simplest tasks. People got into the habit of hiring them by the day for gardening or painting jobs, with no illusions as to their competence but assured of their faithfulness. The French Guianese revived the lifestyle of their parents, who had been accustomed to the benefits of cheap domestic help provided by the penal colony.

In recent months, however, the mood has changed. Criticism of the Haitians has hardened. It is said that there are too many of them. How many? No one knows. Official statistics, which are 2 years old, show 8,000 entries but do not include the thousands of illegal immigrants. The most impartial observers set the number at 20,000 or even 25,000. In any case, one hears it said that "the threshold of tolerance was passed long ago." A municipal employee in Cayenne said: "You must realize that they now account for one-third of our population!"

That makes 20,000 foreigners for a population of 65,000 French Guianese in an underpopulated country as large as 10 French departments. The figure would be ridiculous were it not for the fact that the Haitians, like most of the French Guianese, crowd into "Cayenne Island," a ghetto of civilization jammed between the sea and the forest, if the foreigners did not continue month after month to enlarge the highly conspicuous shantytowns of Remire, a rural suburb in the grip of speculation, and if they were not stationed in front of every "Chinese place" (a combination grocery store, bar, and tobacco shop) from 0600 hours on to beg, in groups of from 20 to 50, for alms in the form of daywork.

The Haitians are blamed for all of French Guiana's troubles--all its new troubles, of course: delinquency, venereal disease, and unemployment. They imported "boulette," an illegal lottery based on dreams* that is giving the French Guianese a frenzied taste for gambling or illegal investment. None of the political parties--from the PSG (Guianese Socialist Party) to the RPR [Rally for

* Sold clandestinely in Cayenne is a "little red book" that assigns a number to your dream of the night before. For a long time the entries were sent to Peru, where the clandestine office for "boulette" was located. The results were then broadcast by a number of Amazon radio stations. It seems, however, that an office has been operating in Cayenne for the past few months, supported by funds of French Guiana origin.

the Republic]--hesitated to denounce their growing and turbulent presence during the recent cantonal election campaign and to revive the same criticism of the "colonialist invasion" that they had used in 1977 when the Muong refugees were arriving. This time the danger was said to be greater. Paulin Brune, departmental chairman of the RPR, explained: "It was our duty to welcome the Muong. It was a humanitarian act with worldwide dimensions. The Haitian problem is simply one of domestic politics--of national difficulties with a dictator."

Slow Trip

But the Haitian exodus probably deserves to be put in the humanitarian category. What a slow trip! Since France began requiring that foreigners have a return ticket on their arrival at Rochambeau Airport, prospective immigrants have avoided regular air flights from the Caribbean. They often find work in the sugarcane harvests in Dominica and the Dominican Republic and then look for a freighter with an accommodating hold that is bound for Trinidad or Venezuela. Coastal shipping then takes them to Suriname, which must be carefully skirted as far as Albina, the border town on the Maroni River. Then they must entrust their lives to Bosch pirogue boatmen, who deliver them to the Chinese quarter in Saint-Laurent-du-Maroni, a minute port area with wooden houses that has become the major clearing station for immigrants--Colombians, Surinamers, St. Lucians, and Guyanese--who come here with their last hopes. They still have 250 kilometers of road ahead of them--often paying taxi drivers over 1,000 francs to travel that distance--before arriving in "Cayenne-Babel," another French land of asylum and a Mecca with wages five times higher than those paid in Port-au-Prince. One Creole merchant remarked: "They are paid only a third of the SMIC [Interoccupational Minimum Growth Wage] in effect in French Guiana. That explains our interest in them."

That interest is noted very quickly by every foreigner who arrives here. A rich enclave in the middle of the Amazonian Third World, French Guiana produces and sells too expensively in comparison with its neighbors. The wages it pays to Frenchmen condemns it to economic immobilism and to ever-increasing dependence on the home country.

It therefore attracts all the clandestine immigrants who are satisfied with illegal employment, and it discreetly ignores its own social laws. The well-off families in Cayenne are not the only employers of Haitians. Service companies with unbeatable rates have been sprouting like mushrooms in recent months. There was even one firm, employing Haitians with neither residence permits nor work cards, that painted the central police station. One government official admitted: "It is illegal, of course. But France is so obsessed with development for French Guiana that it overlooks many things." There is also the fact that Haitians do the jobs that no French Guianese wants to accept.

From One Rejection to Another

So why the grumbling, the threats of expulsion, and the racism that is becoming less and less softened with Creole irony? One native of France who has lived in Cayenne for 20 years responds: "It is true that this migratory phenomenon

represents a real danger because of the number of people involved, but be careful not to attach too much importance to complaints by the French Guianese. Their own situation is still precarious, and in fact, their complaining conceals their own fear of not being able to put down roots." According to our interlocutor, the French Guianese, being former immigrants themselves and still awaiting assimilation in an undeveloped country, are afraid of being outdone by those to whom hunger has given wings. This country, with its incredible racial mixture, instinctively closes in on itself whenever blood that is too new comes knocking at the edge of the forest.

Twice in recent years, French Guiana has shown the same fleeting signs of an attack of intolerance. In 1977 it concerned the Muong (although now, 5 years later, it is the latest rage to have Sunday dinner at the restaurants in Cacao, the Muong village). And in 1974 especially, when there was a big outburst of anger against Brazilians who were landing in flat-bottomed boats known as "tapouyes" on the French bank of the Oyapock River.

When their number reached 6,000, the French Guiana authorities demanded that Brazil come get its exiled sons. That was the depressing Rebraca operation: Brazilian officials sent by authorities in the Brazilian states of Amapa and Para (in the north) spoke on Radio Station FR3 to promise land along the Trans-Amazon Highway to the immigrants and "honest work" to the prostitutes and induced their nationals to reembark on a boat chartered for the purpose.

But the French neighbor's attraction is too strong. More Brazilians came, and this time they received a better welcome, the explanation being that "they are excellent carpenters and remarkably expert in livestock raising"--better, at any rate, than the French Guianese, who resolutely refuse to give up their lack of interest in work on the land or in the forest. And "especially," it is insisted, because they spend their money locally, "whereas the Haitians deprive themselves of everything to send their wages back to their families." In short, hooray for the Brazilians, who are praised by "merchant Cayenne" and who have abruptly moved up a notch on the racial and social scale. Hooray for the prostitutes from Belem, who, as one staff sergeant in the Foreign Legion puts it, are "more attractive, in any case, than the Dominicans or the Haitians." Too bad, then, for the "Haitis."

Generosity

If the latest wave of rejection is to recede in its turn, however, more will be required than a new generation of immigrants to be blamed for all of French Guiana's troubles. The first requirement is social regulations that will guarantee the status of the immigrants and not further disturb the employment situation, which is already precarious (with a 25-percent rate of unemployment). After the elections of 10 May 1981, the official attitude toward the Haitians changed from one of repression and obsession with general expulsion to one of generous but thoughtless liberalism. In 1980, the preceding administration had extended the 1945 decree on foreigners to French Guiana, giving it the right to intervene on the slightest grounds in cases of an irregular situation or when disturbance of the peace was involved.

The Haitians who had been taken back to the banks of the Maroni River have returned, although the decree of 1980 has not been replaced by a new set of regulations. At the request of local elected representatives, the operation for regularizing the situation of workers "without papers" has not been implemented in French Guiana. During a visit to Cayenne last fall, Henri Emmanuelli, secretary of state to the minister of interior responsible for overseas departments and territories, promised to fill that gap in regulations. With their fits of bad humor, the French Guianese are reminding him of his promise.

11798

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PASOK POLITICIAN INTERVIEWED ON BASES, CRITICISM OF USSR

Athens THE ATHENIAN in English May 1982 pp 18-20

[Interview of Karolos Papoulias by Haris Livas]

[Excerpts]

BORN in Ioannina in 1929, Karolos Papoulias went to local schools and from there to the University of Athens, where he studied law, and the University of Cologne, where he received his degree. In 1967, at the time of the junta's takeover, Papoulias was in West Germany, where he remained, active in the resistance to the dictatorship, until the return of democracy in 1974. Since 1974, he has been a central figure in PASOK, and in 1977 was elected from Ioannina to his first term in Parliament.

During his years in Germany, Papoulias worked closely with Greek workers and students residing abroad, and has continued, as Under-Minister for Foreign Affairs, to strengthen ties between Greece and the overseas Greek communities, the "diaspora". He and Mrs. Papandreou recently made a lengthy tour through the United States, meeting with Greek-Americans and American officials, a visit that was returned the week of April 12 with the arrival in Athens of a top-level delegation from the AHEPANS, the United States' largest and most influential Greek-American organization. The interview with Haris Livas took place on April 9.

A PASOK member, but a critic of current foreign policy, made the comment that while the government has developed a foreign policy, they have not managed to form a security policy (with reference to the base issue, NATO, etc.) What do you think of that remark?

Papoulias: I don't think the PASOK member was correct in separating the two. Security policy is a part of foreign policy. And we are forging a new foreign policy which will take care of our military and security needs.

Livas: Yes, but certain subjects have been left suspended. Let's take the American bases. When will the discussions start?

Papoulias: I can't say it's a subject that doesn't concern us. And, as you rightly point out, it's a subject that's still open. But when the discussions will begin depends on many other matters. There first has to be a preliminary agreement between Greece and the U.S. as to when the real negotiations will begin.

Livas: Do you think the subjects of the bases and NATO are inter-related?

Papoulias: At this moment, I can't give you a clear answer. All those issues are being analyzed by our government, and by the appropriate organ, KYSEA, and I imagine the same kind of analysis is going on in the American government.

Livas: Have any preliminary discussions started on the technical side?

Papoulias: None. Before we proceed to technical details, we have to come to an agreement on the main issue. And that issue is political and must be decided between the two countries involved.

Livas: It must be a matter of some urgency though. How can you leave the base issue unresolved? Isn't the present situation, without a legal framework, unfavorable to Greece?

Papoulias: I wouldn't exactly call it "urgent", but it is among the issues that we have to find a solution for. When the political framework is achieved, then we can move on to the final discussions.

Livas: Are you waiting for the Americans to tell you when they are ready to begin or are they waiting for you to tell them when you're ready to begin? Who's waiting for whom?

Papoulias: The truth is that the American side said they were ready to hear proposals from the Greek government. The Greek side is studying the matter, but it is a political decision that hasn't been taken yet.

Livas: If we could go on to the subject of the Palestinians: Does the Greek government practice equality in considering the respective claims of the Palestinians and the Zionists to a homeland, or do you lean a bit more to the Palestinian side?

Papoulias: As you well know, PASOK's position has not changed since 1974 when the party was formed. Our position is that the Palestinians must have the right to settle where they want and that this long-martyred people should have their own homeland.

Livas: Even if this is damaging to the Israelis who are already there?

Papoulias: If the PLO is recognized as the legal representative of the Palestinian people, then the matter moves towards a solution. But so far it has not been recognized as such by the Israelis and by the United States. They

tried with Camp David to separate the problems into two, as you have said: into the rights of the Israelis vs. the rights of the Palestinians. But both Camp David and the assassination of Sadat just prove that the problem must take on another framework.

Livas: Does the Greek government have more affection for the Palestinians than for the Israelis?

Papoulias: Here I have to make a few points. We naturally feel much for the Palestinians whose rights were taken away from them with such barbaric methods. And our emotional regard for them has an historic basis. First, in that the history of the Palestinians and the Cypriots is alike. Both peoples have had, and are having, their human rights trampled underfoot. As are the people of El Salvador. We can't say we support human rights for some people and not for others. And second, we criticize very strongly the policy of Begin in that troubled area. I lived in Ioannina where there was a significant Jewish population which we hid and saved from Nazi barbarism. I can't accept that the same people we risked our lives for are now dropping bombs on Palestinian camps.

Livas: Let's look for a minute at the Communist world. Do the Marxist theories of PASOK prohibit you from judging unfavorably the actions of certain Communist countries, such as the Soviet Union and its interference in Polish affairs?

Papoulias: I'm sure you are well-informed on our Marxist underpinnings. But let me say that I lived for many years in Germany and was connected with leftist movements and I know the Marxist base of the German socialist party from before the First World War through to the period of the Second World War. We see the historic analysis of classical Marxism as a tool for social justice. And we use certain elements of that historic analysis for our own party. But we are always critical. Even of ourselves and our own road toward socialism. We don't have a model of Ideal Socialism that we will establish in Greece. Our road to socialism will be a Greek one. Socialism a la Grec! We also criticize any country's actions which go against the Helsinki declaration. We criticized the intervention in Afghanistan, in Cambodia, Jaruzelski's [Polish General Wojciech Jaruzelski] tanks. The Greek government is always against the trampling of human rights. We don't have two standards of judgment — one for countries we're friendly toward and another for countries we are against. Ideologically and politically we judge honestly all disfigurements of democratic actions.

Livas: Yet the government did not take the common path of judgment against the Soviet Union as followed by the other EEC countries on the Polish issue.

Papoulias: You're referring to the second point. On the first point, the condemnation of Jaruzelski's military law: we don't believe that problems are solved by soldiers and tanks. We have always been in favor of the Polish

Worker's Movement and believe they must find their way without outside interference from other countries. That's the first point. But when we saw that certain countries wanted to transform the Polish issue into a new kind of warfare in the heart of Europe, to destroy any opportunity for agreement in Geneva, when we saw all the dangers of atomic war that might follow, we, as a small country, thought it a joke to declare an embargo against the Soviet Union and not send them our oranges. The Americans have a big weapon they don't use — their wheat, [and] we know very well that although the United States has an embargo on military equipment to the Soviet Union, plenty of it is leaving by the back door for the Soviet Union, so why should a small country like Greece refuse to send their oranges and lemons? Maybe we could change the policies of the Soviet Union with our oranges and lemons? It's a joke! And the big Atlantic Powers don't give us any kind of consistent recipe. According to their own interests they first take one stand, then another. And I would also refer to certain European powers like France and West Germany who are interested in natural gas from the Soviet Union and write agreements involving millions of dollars for same. And you and I both know about the million-dollar-agreement signed by West German industry for development of the Soviet Union and Siberia.

Livas: Relations with the Middle East are important for two reasons: oil and trade. What plans does the government have to further improve those relations?

Papoulias: Our relations are close and warm and I think they deliver good results. Very soon the level of our exchanges will double and triple. More Arab investments in Greek enterprises are only a small part of what we expect from such good relations.

Livas: Relations with the Balkans have been at a standstill for some time — after the previous government announced their policy of improving relations. I guess the purpose of Prime Minister Papandreou's trips there in late Spring will be to get things moving again. On what lines?

Papoulias: We have very heartfelt relations with the Balkan countries. And warm personal relations exist between the Greek Prime Minister and the leaders of Balkan States. Our relations on the political, economic, commercial and cultural levels are constantly improving with no problems. Of course, we still have much to do. We would like our cooperation with the Balkans to take on new and more practical forms. This will begin with the visit of Ceausescu here and our Prime Minister there. By the end of 1982, I think we will see those new practical results. Our geopolitical line encompasses the Balkans, the Middle East and Europe.

Livas: In discussing Greece's relations with the power blocs with one member of your government, he told me that PASOK prefers the non-aligned movement. Could you explain how close the government wants to become to the non-aligned movement and how far from the power blocs?

Papoulias: That's all in the political policy of PASOK. We believe the non-aligned movement represents enormous strength. We would like to use the forum of the non-aligned movement to make certain Greek positions more clear. We don't know how this can be accomplished. It's rather a technical matter. But we would like to have the right from the non-aligned movement to explain certain Greek ideas, like a Socialist Union.

Livas: Would you like some day to join the non-aligned movement?

Papoulias: You know that cannot happen since we are a member of a military alliance.

Livas: Today you are. But what about the future?

Papoulias: How can I speak "Futurologica".

CSO: 4600/475

COMMENTARY ON PCI'S DEMOCRATIC ALTERNATIVE POLICY

Rome L'UMANITA in Italian 18 Apr 82 pp 1, 8

[Article by Ernesto Fedi: "Berlinguer's Lessons"]

[Text] This communist central committee has focused its work on "The Role of the PCI in the Struggle To Arrive at a Democratic Alternative," as indicated by the title of Berlinguer's opening speech.

This theme is currently the subject of diverse contradictory interpretations among top PCI leaders, giving rise to a number of questions.

Let us examine them objectively.

With what allies does the PCI intend to promote its alternative? How will it act in an open confrontation with the PSDI [Italian Social Democratic Party]-PSI axis, which has come forth with its own platform for government reforms? How will it respond to winks from DC leaders who would like to reestablish a dialogue with the PCI as a way of countering the socialist deterrent?

The central committee's answers, if they can be considered as such, are worthy of some reflection.

The PCI line--"line" this time, not "strategy" as it was during the period of the historic compromise--continues to be its alternative to the DC power structure. But if he wants to realize this goal, Berlinguer should align the PCI with the socialist and lay parties, because without them he can only fail to establish an absolute majority. Instead, he plunges into bitter wrangling with the socialists and social democrats, and rediscovers the Catholics, to whom the PCI is apparently paying "less attention than it should... The vast, variegated Catholic area," he has said, "is roiling in a host of new ferments." This comment makes it clear that the communist secretary goes beyond an appreciation of the democratic league's "externals;" by giving assurance that "we do not accuse the entire DC" in the Cirillo case, once again he has drawn an implicit distinction between the DC's "more open" and "more closed" factions,

and offered a margin to the DC left in anticipation of the (upcoming) congress. Meanwhile, his attack on Bettino Craxi reveals the utter impotence that could only result from an opening to the Catholics. Craxi is not recuperable--this is the factor on which Berlinguer is gambling everything, past and present. But given De Mita, it is not certain that he can promote his democratic alternative within the DC power system.

That alternative is the only tactical line the PCI can adopt if it wants to avoid a pro-Soviet rupture, even though Berlinguer would prefer to revive the historic compromise. His alternative, in fact, implies that a profound ideological revision would be truly viable, but not a historic compromise.

The concept of his alternative is related to the "third way," which remains as contradictory as ever, equivocal, misty and, I should say, inexistent.

Any feasible alternative can only be based on a reformist, democratic socialism.

For the nth time we repeat that there are only two ways: democracy founded on political and economic pluralism, on freedom and social justice; or a socialism hinging on oppressive dictatorship and unabashed injustice.

The confrontation now rests only between democratic socialism and communism. The rest is utopian or, as some have rightly observed, a consoling expedient to fill the void left by a myth which has been irrevocably demolished.

The central committee has not replied. The coming course of events will show whether or not the PCI will choose a gradualist or reformist vision of socialism, split its ranks, or propose another kind of communist hegemony, perhaps on the Romanian, Titoist or Chinese pattern.

While waiting for the PCI to surmount its crisis, which is actually one of identity, and take the measure of its many misconceptions, the socialist forces must assume the task of guiding the Italian Left.

To overcome the DC predominance that marked half of the 1970s, Craxi and Longo are striving to forge a socialist lay affiliation which would not disseminate the same fears as would a communist hegemony in an alternative affiliation with the DC. "Realism requires contestation," they wrote authoritatively. "Whether one likes contestation or not, the fact is that today the magnetic poles of the electorate, or that mobile electorate which has always existed, are constituted by the socialists and social democrats."

Berlinguer has no patience with this sort of thing. He will deprecate any alternative to the "alternative within the DC power system" and attack it.

Wrote Giorgio Galli, "I do not share the belief of those who think that a lay block in a socialist hegemony would replace the DC's predominance only to behave in the same way. A coalition government that relegates the DC to a subordinate position would alter the Italian reality."

An ultimate observation on the central committee points to the overbearing attitude of the communist leadership. The committee accuses others of attempting to subject it to probes, overlooking the fact that its members are always the ones to mount the pulpit with haughty, arrogant presumptuousness that borders on vulgarity, as they have once again demonstrated on this occasion.

The communists behave as if they alone were the guardians of the truth beyond the shadow of any doubt. This posture is typical of those who adhere to the political and ideological faiths which Guriand called socio-political religions; and communism, including the Italian version of it, constitutes the most aggressive secular faith of our time. Gramsci himself maintained that any socio-historical philosophy can only be practiced as a faith by masses.

Once again, Berlinguer has passed up an opportunity to meditate on old and new errors. To defend himself, he attacks.

"The alternative does not exist; at least, it brings forward no element of innovation."

"Only an alternative led by the PCI can resolve the nation's problems."

"The five-party coalition has failed. Only the communists can guarantee a viable government."

The laic tradition of the Risorgimento "gave the best of its thought when it solicited a dialogue with the PCI. The [present] moral dilemma arises from the limitation of democracy as a consequence of the anticommunist veto. Other arguments are branded as "bigoted moralism." Nothing, in short, "will change unless recourse is taken to the PCI."

This strikes us as a return to the Ptolemaic theory, which saw the world as the center of the universe, with everything revolving around it. Thus, the PCI is the kingpin in every solution.

Without its concurrence, nothing can be achieved.

This party, which has denounced men like Turati and Rosselli as fascist socialists, which has been Stalinist to the marrow of its bones, which tainted Saragat as a traitor, which upheld the USSR during the invasion of Hungary, which for years has praised the Soviet model as the only one capable of

arriving at a genuine socialism, which discovered Atlantism but not until it felt that even its autonomy was being threatened by the Russian bear--this party, with its roots in a far distant country, which history has certainly not given any reason for being, persists in demanding that it must be the pivot of Italian politics and in teaching us all lessons; but as it is, it will not go very far.

On the other hand, we have good reason to believe that behind its show of self-confidence, the PCI is masking a profound ideological, political and moral crisis, which has quite possibly gone beyond the point of no return.

9653

CSO: 3104/193

CONSERVATIVE PAPER: FOREIGN POLICY 'CONFUSION' IN LABOR

PM250839 Oslo AFTENPOSTEN in Norwegian 22 May 82 p 2

[Editorial: "Fumbling and Confused"]

[Text] The foreign policy split in the Labor Party takes a number of forms--and most often these are not easily controlled by the party's central leadership. The Nordland Labor Party's resolution that U.S. soldiers should be excluded from NATO exercises on Norwegian soil is only one of several examples of this.

For our own part we would be the last to exaggerate the significance of such local party statements. In addition, as a rule not enough is known either about local points of departure or motivation. But on the other hand we should not make light of the fact that in our largest opposition party an increasingly strong need to diverge from the official line on central foreign and security policy questions is making itself felt. The Labor Party's own way of dealing with the uncertainty which characterizes the party debate at local level hardly inspires confidence. This is due to insufficient ability--and desire?--to steer developments and to provide the information and guidance which is necessary before this can happen.

As yet there have fortunately been no really serious political accidents as a result of unchecked statements, either in the north or the south. But certain currents in the party undoubtedly give one good reason to reflect. It is probably no secret that many people--including many in the Labor Party's own ranks--are amazed that the party leadership is not giving clearer instructions to "the grassroots." As our largest political party the Labor Party bears a considerable responsibility for ensuring that the debate does not get entirely out of hand and that the decision-making process at all levels functions on the basis of the available facts.

Earlier this week we saw the first signs of a debate which at one particular time was able to give the impression that certain circles in the Labor Party were not willing to pay Norway's share of NATO's joint expenses for the construction of installations connected with the possible future deployment of new medium-range missiles in Western Europe. Norway has already committed itself to collaboration on this in the much-discussed NATO dual decision from December 1979. If it really were the case that there were serious doubts within the Labor Party about whether the bill should be paid, we would safely dare

to say that such a reaction would give rise to consternation--especially among our allies in NATO.

Later it became clear that the debate on this particular issue was due to misunderstandings in the Labor Party Storting group. The Storting Defense Committee chairman, former foreign minister Knut Frydenlund, has given an assurance that it goes without saying that the Labor Party will stand by the dual decision. He also said that Norway and the other NATO nations would share the cost of the construction of launching ramps for new medium-range missiles--if this proves to be necessary.

But it cannot be denied that the fact as routine a matter as this causes fumbling and confusion in the Labor Party and gives much food for thought.

CSO: 3108/108

OSLO PAPER VIEWS SAARINEN CRITICISM OF EAST BLOC

PM201443 Oslo AFTENPOSTEN in Norwegian 18 May 82 p 2

[Editorial: "Enough, Said Saarinen"]

[Text] During the postwar period no Finnish politician has spoken out against the Soviet Union and unacceptable Soviet interference as strongly as outgoing communist leader Aarne Saarinen did at the party congress last weekend. His reasons for doing so have been more than good for a long time now. For 16 years he has led a party which in reality has been divided without being able to have a showdown with the little group which followed only one principle--unshakable loyalty to the Kremlin--even when this principle damaged the interests of both their own country and party.

The document which the Soviet communist leaders sent to the congress after first having reprimanded the party leadership during a visit to Moscow is nothing new in the communist movement. Former Czech communist leader Alexander Dubcek, for example, can provide some interesting historical information in this respect. But this time Saarinen was unwilling to pass over this insolence in silence and consequently threw light on a circumstance which should give many communists food for thought--things are much better and, more importantly, safer for them in the bourgeois democratic societies they are combatting than in the socialist societies for which they are fighting. If Saarinen had slammed the door behind him, as he did on Saturday, in a one-party state his existence in retirement would have been both cheerless and wretched.

But other things have also been happening in Finland. Without the changeover in the presidency a few months ago it would have been perfectly possible for Mr Saarinen to be called to the palace to receive a ticking-off. There is no risk of anything like that for him from Mauno Koivisto. With the clear shift in recent months toward the rest of the Nordic area--without any weakening of the consideration for the Soviet Union's fundamental, reasonable interests--the new Finnish leadership has shown to the full how sterile and deadlocked Urho Kekkonen's foreign policy had become, not least because it was raised above all criticism like a church dogma. The fact that this canonization became a ritual in Finland is irrelevant. There is no need for either excuses or explanations.

What is more interesting is that some circles in Norway took part in this dance of no-criticism and each in their way helped to prolong it, even though they were generally eager to point out that they had little time for dogma, either in foreign policy or elsewhere. One of the more prominent voices here was DAGBLADET's--and it should now write a really instructive editorial on Saarinen's irresponsible attitude toward the great neighbor in the East.

The point is that the Soviet Union--and Czarist Russia before it--has for several hundred years demonstrated a singular talent for bungling its relations with its neighbors. The party leadership in the Kremlin exercises this talent with great historical sensitivity in its relations with foreign communist parties. And this time it was quite enough for the Finns, who have a great deal they could teach others about patience.

CSO: 3108/107

POLITICAL

NORWAY

GOVERNMENT TO FOLLOW EC SANCTIONS AGAINST ARGENTINA

PM201503 Oslo AFTENPOSTEN in Norwegian 19 May 82 p 8

[Unattributed report: "Sanctions: Norway Follows EEC Majority"]

[Text] Norway's economic sanctions against Argentina's attack on the Falkland Islands officially came into force yesterday and will initially be effective for 1 week.

"Norway's sanctions will remain under continual assessment in the light of the measures adopted by the EEC," Foreign Ministry Under Secretary Elvinn Berg told AFTENPOSTEN. But Norway's policy cannot be seen as an automatic reflection of what the EEC does, but as an independent Norwegian reaction to the use of force to resolve international quarrels. Thus the sanctions are connected with Argentina's unwillingness to accept the UN Security Council resolution calling on the country to withdraw its troops from the occupied islands.

The sanctions embrace a total ban on the import of goods and services from Argentina to Norway.

If the EEC remains divided in its sanctions policy, Norway will probably follow the line of those countries which extend their sanctions. But further Norwegian sanctions will depend on the development of the Falklands conflict, on the situation which emerges and on the extent to which military operations are stepped up. Norway gives its full and unconditional support to the Security Council's condemnation of the Argentine invasion.

CSO: 3108/107

ELECTIONS IN 1983 COULD PROVOKE POSSIBLE CONSTITUTIONAL CRISIS

Madrid EL PAIS in Spanish 4 May 82 p 23

[Article by Joaquina Prades: "Government Decides To Hold Elections Without Changing 1977 Law."]

[Text] The government does not plan to send any bill for electoral reform or for ratification of the current 1977 law to Parliament before the next general elections, according to reliable Cabinet sources. This decision, which carries with it the risk that an appeal may be brought before the Constitutional Court to block the holding of the elections, or to challenge them, arises from the inability of the political parties to reach a minimal consensus in drafting the contents of the charter, which by order of the Constitution must regulate the rules of the election process.

As the date of the elections approaches, the disagreements between legal experts and political parties are intensifying over whether it is possible, and especially if it is legal under the Constitution to schedule elections under the laws which are now in force. Socialists and Alliance supporters are maintaining that the 1977 decree law is not practicable for 1983, and therefore they consider it necessary to draw up a new law. The communists, on their part, admit that the law's ambiguity in that regard provides legal arguments both to those who defend it and to those who attack it, which puts them in the middle between the two sides. Even so, they are requesting the government to draw up an emergency bill containing only one article, which would extend the validity of the aforementioned 1977 law. "In that way," says the secretary of the Communist Parliamentary Group, Enrique Curiel, "doubts and misunderstandings would be avoided; but in particular we would avoid the risk of appeals being brought before the Constitutional Court or the Supreme Court." The secretary general of the Democratic Center Union (UCD), Inigo Caverio, is of the same opinion, and he agrees with the idea of the government to uphold the validity of the rules now in force, but he also thinks that a bill for ratification would help to clarify the confused scene. Other members of his party, more familiar with the "fancy footwork" that the Centrist Parliamentary Group must go through every day so as to not lose on votes, appraise it a different way: "There would not be enough time for the PSOE [Spanish Socialist Workers Party] and the Fraga group to try to slip their own election ideas through into that bill, the ones that would favor them the most, and the debates could drag on forever, only to end as they began--without an agreement," reasons a minister in the present Cabinet.

Cabanillas and Marin Villa: "Appeal Would Be Lost"

This question, together with their conviction that the 1977 law is valid, makes the head man of justice, Pio Cabanillas, and the first vice president of the government and expert on electoral matters, Rodolfo Martin Villa, agree in their emphatic statements that there is no need at all to change or validate anything, and that, in accordance with law, there is little possibility that the people who are bringing appeals before the courts will win them.

The origin of the arguments must be looked for, first of all, in the provisional wording of the 1977 decree law on the regulations governing elections, which was drawn up by Landelino Lavilla and a team of experts so that the first general elections could be held. The words "first elections," clearly mentioned by the drafters of the law, leave little doubt in that respect. However, when the Parliament which was elected in the application of the law was at the point of finishing the drafting of the Constitution, a problem arose: the then president of the government, Adolfo Suarez, could not dissolve the Constituent Parliament because there was no legal regulation in existence to empower the election of the Constitutional Parliament. For this reason a temporary provision was included in the Constitution--the eighth one--which reads as follows: "The Chambers which have approved the present Constitution shall assume, after its coming into force, the functions and responsibilities which are established in it...The current president of the government...shall be able to choose to use the authority granted to him by Article 115 (early dissolution of the Chambers..." And then follows the most controversial paragraph of this temporary provision: "In the case of dissolution, in accordance with the stipulations of Article 115, and if there has been no legal development of the provisions of Articles 68 and 69 (as was true and is still true in the present case, since no election law exists which would develop both articles,) "the regulations which were previously in effect will be applicable in the elections....," that is--the already mentioned 1977 law.

Two interpretations can be made from this wording: the one upheld by the government and the UCD [Democratic Center Union] and the Communist Party, that since an election law has still not been developed the 1977 law can be applied again; and the one championed by Popular Alliance and the Socialists, which maintains the exact opposite. The former Centrist spokesman Miguel Herrero de Minon, in his book "Ideas for Moderates," is of the opinion that, according to Article 3 of the Civil Code, "the sense of the words" only has full meaning "in relation to the context." Herrero, who knows a great deal about the "context," since he was one of the framers of the Constitution, recalls that this temporary provision was drawn up so that Adolfo Suarez would be able to dissolve Parliament. Therefore, Herrero concludes, "Even if the new charter required by the Constitution were to be nothing more than a reiteration of the 1977 decree law, it would be necessary to draw it up," in a provisional way, so as to be able to hold the 1983 elections, and to later plan the "issuing of a new set of election regulations."

Temporary Provision for Adolfo Suarez

Gabriel Camunas, official AP [Popular Alliance] expert on election matters, asserts that, carrying temporary provision number eight to its ultimate extreme, "It would be possible to hold elections up until the year 2000 under the 1977 law, with the sole condition that they must be held early, if only by 24 hours." According to Alfonso Guerra, "It is very clear that what we have is not adequate," because, he claims, "The law is not a science for jackasses; and this Parliament now is not the one that approved the Constitution, nor is the current president to which the temporary provision refers Adolfo Suarez. We must be more serious: temporary provisions are made, as their name itself indicates, for temporary and provisional periods of time." However, neither the Alliance members or the socialists or communists have made use of their authority to introduce a proposed law for working out new election regulations during the current legislative session. "Because of an overload of work," states Alfonso Guerra. "For fear that what might result would be much worse," says the communist Curiel, who is convinced that both the UCD and the PSOE are tending toward a two-party political pattern, which would push aside the smaller groups.

Jaime Lamo de Espinosa, spokesman of the Cenlidez Parliamentary Group, asserts that if there were any doubt about the validity of the current regulations, "we would introduce a ratification plan, but since this is not so, there is no need for it." A Centrist deputy, a member of a well known firm of lawyers, adds: "Appeals have been brought against the regional elections in Catalonia, the Basque Country, Galicia, and the party ones for the Senate in Seville and Almeria; and both the Superior Court of Justice of the Autonomous Community of Catalonia and that of the Basque Country, as well as the High Court of La Coruna and the Supreme Court have rejected them; so there is not the slightest fear that appeals brought against the coming general elections will win out."

This same deputy, who reminded us that Guerra is not a lawyer, but has a degree in philosophy, was wondering why no party has revived the topic for the Andalusia elections of 23 May. Alfonso Guerra, on the contrary, told this newspaper that if anyone were to bring an appeal of unconstitutionality he would win it, "with absolute certainty, because the present regulations are a mockery of the law." In any case, an appeal to the Constitutional Court can only be brought by the president of the government, 50 deputies or an equal number of senators, or the public defender.

It is certain that all the parliamentary groups are apprehensive about undertaking an authentic charter of electoral reform, which by order of the Constitution will sooner or later have to be made. Every party, thinking of the number of seats to be obtained, has its own ideas on the subject. The Law of Political Reform sets two deputies for each province as the minimum. The Communists, in their first drafts of the law, prefer to reduce the number to one; the Alliance people prefer to raise it to three. Centrists and Socialists accept the two that there are at present, but the PSOE demands that the number of deputies for each province be set in direct relation to the population, and that the present 350 deputies be increased to 400,

probably because they know that voting in the large towns usually favors the Left. The smaller parties, AP and PCE, are the ones who are maintaining the most emphatically that the so-called "national surplus slate" (which is used in Germany) be established. That is, the adding of 50 deputies to the current 350 by means of a general slate which would gather together the people remaining as surplus in provinces with the present D'Hont Law. As will be recalled, the Constitution sets a minimum number of 300 and a maximum of 400 deputies.

Alfonso Guerra would propose, together with ratification of the 1977 law, the following additional rules: a well-defined control of the voting of the emigrants, "who are listed in the census as 17,000, but who number more than a million. No one explains to them how they should vote, or where. There is not even a ballot box available in the consulates," says the "number two" of the PSOE. "Thirty-two percent of the Galicians were not able to vote in the past elections, and this is scandalous." There should also be rationalization of voting by mail; and supply of resources for the Election Boards. "Now you have the delegate from the government coming and saying to the judge, 'I'm taking away the bags full of ballots,' and he takes them. It's not that we don't trust the delegate from the government, but these things cannot always go on like that." They want exact verification of the census, and it should be brought up to date every day, "as they do in all civilized countries--not like here, where it is revised every 5 years;" the control of expenditures, that is, every candidate should present vouchers, so that it will be possible to know how much money has been spent, with the setting of a maximum ceiling; rules on ineligibility and incompatibility; and finally, the establishment of a single standard ballot.

All the parties are in agreement on taking on the reform of the election law almost on the day following the holding of any general elections, because it is feared that the debate would be so intense and complex that every week that passes would bring the next elections closer, and with it, the interest of each party in making their own standards prevail over those of the others. On the other hand, this is one of those laws which should be approved by consensus, so as to avoid changes according to who will be the ones holding power in each time period. For this reason, the real election law cannot be fashioned so soon after the elections, as Inigo Caverio states. "If we should now start on a debate of that magnitude, every party, in every article, would be thinking about their own seats, and in the end nothing positive would come of it. It must be done in a climate of complete serenity, if we aim to achieve a law which is acceptable to everyone."

8131

CSO: 3110/127

ANALYSIS OF NUCLEAR-FREE ZONE PROBLEM VIEWED

PM191443 Oslo AFTENPOSTEN in Norwegian 13 May 82 p 9

[Article by Morten Fyhn: "Swedish Zone Initiative Unlikely"]

[Text] Stockholm, May--In today's political climate in the Nordic countries Sweden is no different from the others as far as growing popular involvement and party political interest in a nuclear-free zone are concerned. But internal studies, by the Foreign Ministry, for example, raise serious objections. The zone is hardly likely to give greater security in wartime. And in peacetime Swedish neutrality and Nordic stability would be threatened by increased superpower interference, it is said.

The Swedish Government's official policy is clear--it maintains close contacts with the other Nordic countries to assess whether there is a common foundation for a Nordic zone as a phase in the work toward a nuclear-free Europe. This policy enjoys broad support in the Riksdag, even though there are forces, principally among the Social Democrats, who envisage other solutions. For example, Alva Myrdal [disarmament expert and advocate] has put forward the idea that Sweden and perhaps Finland should lead the other Nordic countries and obtain guarantees from the superpowers. In other words, a sort of gradual establishment of a Nordic zone.

The government has also stipulated that the zone must give increased military security. That is to say that the numbers of nuclear arms in the zone's immediate vicinity must be reduced. Further it has been stressed that the whole of the Baltic must be made nuclear-free. Sweden has also made more or less official demands for inspection and control arrangements to make sure that the superpowers' promises are really being kept.

An interesting aspect of the Swedish experts' studies of possible zone arrangements covers the extent of the so-called attenuation zones [uttunningszoner]. Norway has said that the Soviet nuclear arms which because of their position of deployment and their range can only be thought to be directed at targets in the Nordic countries must be removed in conjunction with the establishment of a Nordic zone. Sweden shares this view, but takes it a step further. An attenuation zone should also include parts of Poland and East and West Germany, even though nuclear arms stationed in these countries do not necessarily only have their targets in the Nordic countries.

However, Swedish experts are skeptical of the value of attenuation zones--regardless of their size--in giving increased military security. One consideration is that it will be extremely difficult to reach agreement on their size, both because of the principle of free access to the Baltic and the overlapping of Nordic and Central European problems.

Another consideration is that developments in arms technology mean that it is not simply the deployment of nuclear arms in the vicinity of the Nordic countries which determines whether Sweden and the Nordic countries can be drawn into a nuclear war. It is well known that long-range missiles could be launched against the Nordic countries either from bases east of the sea west of Norway, it is said. The attenuation zones could perhaps have some sort of political security value, but that is all, it is said unofficially in Sweden.

However, if there should ever be real talks between the Nordic countries and the superpowers about a nuclear-free zone, neutral Sweden would face special problems compared with NATO members such as Norway and Denmark, it is pointed out. Norway has created an impression that the zone must be the product of negotiations between the superpowers. It is not a matter simply for the Nordic countries alone, it is said. In Sweden people are reasonably fully aware of the necessity of the superpowers' involvement. But at the same time there are major objections to a superpower arrangement for the Nordic area over the heads of the Nordic countries, as it were. Nonaligned Sweden cannot allow the military blocs to reach decisions for it, it is said.

All the Nordic countries assume that a nuclear-free zone would have to be established with binding promises and guarantees from the superpowers not to use nuclear arms against the Nordic countries. As already mentioned, it is also a clear Swedish demand that the guarantees must be accompanied by an actual reduction in the number of nuclear arms and that it must be possible to verify this. In other words Sweden does not rely on promises alone.

But also promises and guarantees in themselves represent a problem which has been studied in detail in Sweden. There are those who state that by making the superpowers the guarantors of such a zone the Nordic area would at the same time be inviting them--in fact giving them formal access--to play a more active role in the Nordic area. By becoming party to a nuclear-free zone arrangement the superpowers would be assuming responsibility for the Nordic countries' security which would also give them excuses to "interfere" in Nordic affairs. For instance, a superpower could ask for consultations and talks if something happened in one of the countries which it did not like.

In a possible future war, zone promises would not deter the superpowers from using nuclear arms against Sweden if they wanted to for some reason or other. It is well known that treaties are not worth much in war. In peacetime the superpowers could exert pressure, which could put serious strain on the independence of a neutral state like Sweden. "Is a zone of doubtful military value worth such a price?" Swedes are asking.

The question of a Nordic nuclear-free zone has come to stay. But no concrete demarche or initiative is to be expected from Sweden. Exactly as elsewhere in the Nordic countries it is the Social Democrats who give the matter their most active support. The fact that this is an election year in Sweden probably makes the Social Democrats a little interested in being on good terms with the peace movement. There has also been Social Democratic criticism of Swedish civil servants who have pointed out the difficulties attaching to such a zone. But even the Social Democrats and Olof Palme have not gone very far into the problems which have been raised. People often choose the "comfortable" way out by pointing to Norway's and Denmark's NATO membership as the largest hindrance to developments in the matter. Nevertheless the Karslkrona submarine incident last year did mean that Olof Palme made a clear demand that the Baltic must be made nuclear-free. The episode did greatly help to highlight the problems facing anyone wanting to establish a nuclear-free zone.

CSO: 3108/107

MILITARY

DENMARK

NAVY COMMANDER ON ORDERING OF SEA GNAT ANTIMISSILE MISSILE

PM260839 Copenhagen BERLINGSKE TIDENDE in Danish 23 May 82 p 1

[Report by Christian Brondum: "Danish Warships To Have New Antimissile System"]

[Text] In a couple of years the Danish Navy will begin to equip fleet combat units with a newly developed antimissile system called the Sea Gnat. The system will make the ships almost invulnerable to attacks by missiles such as the French-produced Exocet which sank the British destroyer Sheffield off the Falkland Islands a couple of weeks ago.

The Sea Gnat is the result of a cooperation project between Denmark, Britain and the United States which began 2 years ago. Denmark's share of the development costs is around 6 percent of the total of \$40 million. The system is now being tested.

Commodore S. Toft Petersen told BERLINGSKE TIDENDE that the Sea Gnat is able to react to an incoming missile within a few seconds. When an attacking ship is registered on the ship's radar 5 to 8 missiles are fired from the ship in all directions. Each one emits signals which attempt to draw the hostile missile. Each one thus locks an attractive target to the hostile missile's homing radar, so the chances that the missile will miss the ship are good.

The Sea Gnat system costs about 250,000 kroner in equipment for each ship. The price of each defensive missile is around 40,000 kroner. A single firing would thus cost 200-300,000 kroner. But this is much less than the cost of a new ship.

The fleet's future antimissile defenses will function and react to a missile attack automatically.

CSO: 3106/120

BRIEFS

FIRST HAWK AIRCRAFT IN SERVICE--The first hawk aircraft was officially taken into service by a Finnish Air Force unit when a HW-312 was received by the Lappland Air Force squadron at Rovaniemi Air Base on Friday afternoon [14 May]. Up to now the air force has received nine hawk aircraft, assembled and partly built in Finland by Valmet. In addition four aircraft have been supplied by British Aerospace in England. Valmet is producing new hawk aircraft at the rate of one a month and it is intended that the whole order will be finished by 1986. In 1983 the Karelia squadron will begin to receive hawk aircraft and the following year the aircraft will also be taken into service by the surveillance squadron. But it is primarily the Air Force Training College which will make use of the hawk. The aircraft can be used for fairly advanced training before the trainees make the transition to Mig or Draken aircraft. The hawk training aircraft can be used in many ways and this saves more expensive hours in actual combat aircraft, Lappland Air Force squadron commander, Col Pertti Jokinen said. [Excerpt] [PM191501 Helsinki HUFVUDSTADSBLADET in Swedish 15 May 82 p 10]

CSO: 3109/162

JOURNALIST EXAMINES ISSUE OF U.S. BASES

Athens THE ATHENIAN in English May 1982 pp 15-17

[Article by Emmanuel Hadzipetros]

[Excerpts]

THE question of the future status of the American military bases in Greece is like the winter weather Athens: cloudy and uncertain. The only clear thing about the debate is that neither the U.S. embassy nor the Greek government is eager to discuss the issue publicly.

The bases were established under the terms of a bilateral agreement signed by the United States and Greece on October 12, 1953. This authorized the construction, development, use and operation of, "military . . . facilities in Greece as . . . the two governments shall from time to time agree to be necessary for the implementation of, or in furtherance of, approved NATO plans," according to a March, 1977 U.S. Congressional report entitled *Major U.S. Military Installations in Greece*. As many as forty other "technical arrangements" set forth detailed rights and obligations of both countries applying to the use of the facilities by U.S. armed forces. Most of these agreements are classified, but it is generally believed by all observers that the terms are highly favorable to the United States. One Western diplomat went so far as to describe the agreements presently in force as a "super colonial" arrangement.

The bases guard the Aegean approaches to the Mediterranean, provide communications links between NATO and U.S. forces, act as staging centers and supply depots for U.S. and NATO air and naval forces and monitor Soviet military activities in the region. And while the U.S. embassy refuses to confirm or deny the presence of nuclear weapons in Greece, the Congressional report explicitly states that these weapons are here, although details of their basing are classified. Warheads for 1960s generation Honest John and Nike missiles are known to be stored at several sites throughout Greece, while Greek airfields are available for use by nuclear armed aircraft and port facilities for nuclear submarines.

Force keeps airborne at all times. The Technical Chamber's report also indicates that in the event of war, Herakleion can be used, in cooperation with one or more other bases, to fix a target and direct nuclear missiles against it. It is clear that these activities would make the bases likely targets for nuclear strikes in all-out war. And this is one of the reasons many Greeks cite for wanting to see the bases go.

There is also a major naval communications base at Nea Makri, twen-

ty-seven miles northwest of Athens, that monitors all ships in the Aegean. It is linked to communications complexes in Italy and Spain. The Kato Souli terminal, seven miles northwest of Nea Makri, is connected to the Sixth Fleet afloat, as well as to facilities in Italy and Spain, while the Mt. Pateras terminal, about twenty miles west of Athens, is hooked up to a terminal near Izmir, on Turkey's Aegean coast. It also connects a number of other terminals in Greece, including one on Lefkas Island, in the Ionian Sea, and another at Mt. Ehedri, in northeast Crete. NATO also maintains five early-warning stations in continental Greece.

The bases have been the subject of heated debate since the Cyprus crisis of 1974. Most Greeks believe the bases, particularly the ones on Crete, played a role in Turkey's seizure of the northern third of the island. This perception has caused even the most moderate, pro-Western Greeks to re-evaluate the link with both NATO and the U.S., confirms Thanos Veremis, a lecturer in Greek history at the Athens Higher School of Political Science, and author of *Greek Security Considerations*, published two years ago. "The impact of the Cyprus problem on Greek nationalism, whether of the right or the left, has been profound," maintains Mr. Veremis, who spent a year at the prestigious International Institute of Strategic Studies in London. "I think the Americans under-estimate this."

The widely-held notion is that the American bases passed information on Greek military deployments to the Turks, a view the Cypriot embassy believes is supported by strong circumstantial evidence. A U.S. embassy spokesman refused to comment on these accusations, branding them "speculations made by others." But these fears have reinforced the determination of successive Greek governments to establish some control over the bases, to ensure that vital intelligence concerning Greek security is not passed to Turkey. Negotiations for

a new defence agreement between the former New Democracy government, under then Prime Minister George Rallis, and the United States reportedly broke down last May over the question of control.

Prime Minister Andreas Papandreou's PASOK government has stated its long-term goal is the withdrawal of the American bases, although Mr. Papandreou insists he won't act unilaterally and has said he is prepared to wait for as long as ten years. In the meantime, he wants tighter control over the bases to ensure no military operations are launched from Greek soil against a third country with which Athens enjoys good relations and to prevent an outflow of information to Turkey. He also wants the right of annual review of the U.S. presence and the maintenance of a 7:10 ratio in military aid to Greece and Turkey.

Diplomatic and political observers believe Mr. Papandreou will be a tough negotiator. While PASOK's terms are essentially the same as New Democracy's, a Western diplomat observed, Mr. Rallis would have been more willing to compromise. However, one well-informed source pointed out that while Mr. Papandreou faces pressure from hard-liners, it is difficult to estimate how much, because no one has ever quantified the influence of the militants within his party. "He has room to maneuver on this issue," the source believes. "He is not losing any popularity over it." The Moscow-line communist party is incapable of applying serious political pressure on the government, she added, because it has only thirteen members in parliament. However, the recent reforms of the labor movement could see communists gaining control of key unions by the end of next year. If this happens, the strike weapon could be brought to bear on the base issue. But this will depend to a large extent on Moscow, asserts Mr. Veremis, who points out that the Soviets are following a cautious, conservative policy in the Mediterranean and they may not be willing to confront the United States on this issue, unless they believe they have something substantial to gain from it.

The big question now, is when will the talks for a new agreement get off the ground? During last November's government policy speech to Parliament, Mr. Papandreou said negotiations would begin early in the winter. Dates for talks were later moved to spring and now it's anyone's guess, although there are rumors indicating a late summer, early autumn date. The issue is sensitive and it is difficult to get anybody to talk about it. PASOK's International Relations Committee told me they have nothing to do with the base question and suggested I contact the ministry. Which ministry? They didn't know. Even the Committee Against the Bases, which was active throughout PASOK's period in opposition, has been quiet of late, giving the Prime Minister an opportunity to approach the problem at his own speed. Speculations are that the government, while hammering out its position, is taking into account the increased tension in the world. It may be significant that a prominent centrist with experience in previous base negotiations, Christos Maheritsas, is playing an important role in the upcoming talks.

The delay means that the old agreements still hold, and all observers feel the Americans are content with this situation. A spokesman for the U.S. embassy denies his government is in no hurry to come to terms. "We stand ready to begin talking as soon as the other side is ready," he insists. But a Western diplomat pointed out that

the Americans face a major problem in any talks: Greece is not the only country hosting U.S. bases. Other states will be watching the negotiations carefully and would be likely to demand more from Washington should the Greeks win a favorable agreement.

Both sides must determine the value of the bases to their defense systems. For the Greeks, the loss of the bases would mean the loss of an electronic infrastructure worth hundreds of millions of dollars. It could also mean upsetting the balance of power in the Aegean, with NATO and the U.S. shoring up Turkey to fill the gap left by Greece. Many diplomatic and political observers here believe that while the bases are an important part of the Western security structure, they are not essential. The U.S. Congressional report goes so far as to suggest alternatives to the Greek bases in the event of their expulsion. Their functions could be shifted to Italy and Turkey, the report states. For geopolitical reasons, Turkey is the favored country. Even the excellent anchorage at Souda could be replaced by expanding existing harbors at Izmir, on Turkey's west coast, and Iskenderun on the south, the report adds.

Mr. Veremis, along with many NATO strategists, doesn't accept this scenario. His view is that the Greek bases act as a link in a chain that includes both Italy and Turkey. If the facilities in Greece were lost, Turkey would be cut off, "like a ship without an anchor", in the words of a senior European statesman.

CSO: 4600/476

CONSERVATIVE MP: MORE USSR BALTIC SUBS HAVE NUCLEAR MISSILES

PM201407 Stockholm DAGENS NYHETER in Swedish 15 May 82 p 5

[Report by Sven Svensson: "More Russian Submarines Deployed in Baltic"]

[Text] The Soviet Union has stationed a number of submarines in the Baltic and it is probable that these are fitted with nuclear warheads, moderate coalition party Riksdagms Deputy Carl Bildt announced.

According to Bildt, in recent months the Soviet Baltic fleet has been augmented with submarines of the so-called Juliet class armed with cruise missiles. These long-range cruise missiles are very probably armed with nuclear warheads, Bildt said.

The Juliet submarines date from the 1960's and are not therefore totally modern.

The submarines have patrolled the Mediterranean in the past to observe various NATO ships.

The reports of how many Juliet submarines there are in the Baltic vary. One report states that there could be at least four submarines.

The Russian Baltic fleet was augmented with Golf submarines in 1977 with their ballistic medium-range missiles. At the time the Swedish Government expressed the hope that this would not be the beginning of more widespread exploitation of the Baltic for the deployment of ships equipped with nuclear arms.

It is thought that there are now at least six Golf submarines in the Baltic and that one of these is always out on patrol.

The incident in which Soviet submarine 137 ran aground in the Blekinge Archipelago in the fall of 1981 made it clear that nuclear arms were also to be found on board older whisky class submarines.

A third factor is now the reports that Juliet submarines are stationed in the Baltic and equipped with nuclear warheads.

CSO: 3109/163

PAPER ACCUSES SOCIAL DEMOCRATS OF 'DELAYING' JAS DECISION

PM201523 Stockholm SVENSKA DAGBLADET in Swedish 15 May 82 p 2

[Editorial]

[Text] Friday [14 May] was a big aircraft day in the Riksdag, where the four democratic parties gave press conferences and presented their views on the Jas project. After 10 years of investigations the time has finally come for a definite decision. Only nonsocialist miscalculations or climb-downs can now halt the production of a new Swedish combat aircraft to follow the Viggen.

The nonsocialist parties showed firm agreement in their analyses of the decision to be made by the Riksdag later this spring. On the aircraft question the nonsocialist bloc is now demonstrating drive of a rare sort, and the center parties and the government's representatives were able, with the help of the moderate coalition party, to show their firm determination to transform the project from idea to reality.

This is a great deal more than can be said of the Social Democrats. This party--once the mainstay of the Swedish state, with national traditions and ambitions on defense matters--has ended up in a sorry state, largely of its own making. There was an air of disappointment over the defense which Olof Palme was forced to make at the Social Democratic press conference. In its attempts to placate its loud peace activists the party leadership has fallen prey to decisionmaking impotence, and because of its naive attitude has fallen behind in the development surrounding the question.

It is an unusual defeat for the Social Democrats that the nonsocialist majority is now daring to indicate its intention to assume the responsibility for giving Sweden the combat aircraft the defense of our neutrality needs, despite the Social Democratic announcement of how the party intends to vote in the Riksdag. It is not in line with the labor movement's attitude to important social questions to allow a walkover. But that is how things go when internal problems lead to exaggerated tactical finesses designed to avoid any responsibility in the voters' eyes on election day.

In sober terms it is difficult to see why advocates of defense among the Social Democrats have let the party put itself out in the cold. The party

leadership is unanimous in its support for a new aircraft to replace the Viggen, for a Swedish aircraft along the lines of the Jas. There are only marginal differences in the concrete details surrounding the aircraft's design. Nevertheless Palme revealed some bitterness at not being able to postpone a decision. Nevertheless he defiantly declared that Swedish Social Democrats no longer feel any "loyalty to the project." That is not how it sounded from Social Democratic members of the Riksdag Defense Committee.

After 10 years of planning debate, a couple of years of initial debate on legislation, a year's debate on the various tenders and 6 months' debate on contracts, Olof Palme complained that he was only given 6 days to reach a decision. That excuse is a very thin rope to hang up as a safety net under his balancing act.

It is true that there are still some question marks attaching to this costly long-term project. Since it is based on estimated needs and the projections stretch far into an uncertain future, nothing definite can be said about the state of the dollar, the threat scenario, inflation or the Swedish economy, for example. But this is true of all aircraft projects, of a Social Democratic as much as of a nonsocialist Jas, of a possible future aircraft purchase from abroad.

However, what we do have to rely on are the guarantees built into the agreement with the group of industries which will develop the aircraft. There has been thorough investigation of what it is possible to guarantee. The armed forces commander in chief, the air force and the Armed Forces Materiel Administration are behind the decision. Through fixed prices and good reserves the customer has protected himself and had laid the burden on the industrial group. The Jas will probably not avoid the cost increases which are unavoidable in all major industrial projects, but this is an argument not against the Jas but against sophisticated aircraft in general.

What is peculiar about the Jas is that it will be cheaper than the Viggen, that it will be a Swedish-based product and that its cost will be contained within the ordinary air force and defense forces budget, where it will not amount to more than 5-10 percent. However, we cannot expect to know whether the Jas will meet all the needs we will have in the 90's, when the aircraft superpowers' are in the air. The further investigations called for by the Social Democrats would not provide answers to uncertainties about details but would primarily lead to increased costs and jeopardize the contract.

The damage which has already been done through the Social Democrats' delaying tactics affects the rest of the world's confidence in our military policy decisionmaking capacity. Further postponement for the flimsy reasons being used by the Social Democrats as a basis for their present action would be destructive. By making the Jas an election issue the nonsocialists could clear the air.

CSO: 3109/163

MILITARY

SWEDEN

BRIEFS

LARGE MILITARY EXERCISE--Nearly 24,000 men will take part this fall in the biggest military exercise held in the country for many years, the "Armed Forces Exercise 82 South" [Forsvarsmaktsovning 82 Syd], abbreviated to "South Front" [Sydfront]. It will take place in southern Sweden from 23 through 29 September this year. As regards the number of participants the exercise is somewhat bigger than the "Northern Lights" exercise in Norrbotten in March this year. The starting-point of the exercise is an assumed invasion of the coast of southern Sweden. [LD131404 Stockholm International Service in Swedish 1000 GMT 13 May 82]

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